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ABSTRACT

As part of a series of field hearings examining the issue of education reform and the preparedness of the work force, testimony was heard on the need to expand higher education opportunities for minorities and nontraditional college students. Oregon, in particular, faces these questions because the state's economy is expected to change from timber-based to business-based in the coming decade. Such an economy will demand an educated workforce. The following witnesses testified: Deborah Nowlen-Hodges, a displaced homemaker and graduate of Project Independence, at Portland Community College; Terrence Taylor, a student at Portland State University; Robert Baugh, manager, Workplace Innovation; Mary Conn, Tektronix, Inc.; Robert Frank, acting provost, Portland State University; Delsie Gilpin, student, Dislocated Workers Project; Andrew P. Lippay, of Cascade Steel Rolling Mills, Inc.; Daniel Moriarty, president, Portland Community College; Eva Parsons, of Cellular One; Dan Saltzman, vice chair, board of directors, Portland Community College; Glenn Shuck, labor liaison of Dislocated Workers Project, and Mary Wilgenbusch, president, Marylhurst College. The witnesses testified concerning adult education, blacks and higher education, the Dislocated Workers Project (a training program), labor force development, the financial aid application process, the need for aid, and local business needs and concerns. (JB)

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GETTING AHEAD IN OREGON: EXPANDING HIGHER EDUCATION OPPORTUNITIES FOR MINORITIES AND NONTRADITIONAL STUDENTS

HEARING

BEFORE THE

SUBCOMMITTEE ON REGULATION, BUSINESS OPPORTUNITIES, AND ENERGY

OF THE

COMMITTEE ON SMALL BUSINESS HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

PORTLAND, OR, JUNE 17, 1991

Printed for the use of the Committee on Small Business

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CONTENTS

Page

Hearing held on June 17, 1991 1

WITNESSES

MONDAY, JUNE 17, 1991

Baugh, Robert, manager, Workplace Innovation 30
Cohn, Mary, Tektronix, Inc 39
Frank, Robert, acting provost, Portland State University 17
Gilpin, Delsie, student, Dislocated Workers Project 6
Lippay, Andrew P., assistant vice president of human resources, Cascade Steel Rolling Mills, Inc 41
Moriarty, Daniel, president, Portland Community College 11
Nowlen-Hodges, Deborah, displaced homemaker and graduate of Project Independence, Portland Community College 3
Parsons, Eva, director of people development, Cellular One, Portland, OR 36
Saltzman, Dan, vice chair, board of directors, Portland Community College 13
Shuck, Glenn, labor liaison, Dislocated Workers Project, Portland, OR 34
Taylor, Terrence, student, Portland State University 5
Wilgenbusch, Nancy, president, Marylhurst College 15

APPENDIX

Prepared statements:
Cohn, Mary 58
Frank, Robert 49
Lippay, Andrew P., with attachments 61
Articles and letters 64
Saltzman, Dan 47
Shuck, Glenn 56

GETTING AHEAD IN OREGON: EXPANDING HIGHER EDUCATION OPPORTUNITIES FOR MINORITIES AND NONTRADITIONAL STUDENTS

MONDAY, JUNE 17, 1991

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON REGULATION, BUSINESS
OPPORTUNITIES, AND ENERGY,
COMMITTEE ON SMALL BUSINESS,
Portland, OR

The subcommittee met, pursuant to notice, at 10:10 a.m. in Terrell Hall Auditorium, Portland Community College, Portland, OR, Hon. Ron Wyden (chairman of the subcommittee) presiding.

Chairman WYDEN. The subcommittee will come to order this morning.

Today, the Subcommittee on Regulations is continuing a series of field hearings examining the issue of education reform and the preparedness of our work force. Today's hearing is especially important because it will focus on the need to expand higher education opportunities for minorities and nontraditional college students.

Over the next 10 years, Oregon is going to be challenged with a major economic overhaul as we move from a timber-based economy to a business environment that is truly diversified.

The businesses which hold the most promise for fast economic growth unquestionably are going to need a work force which has at least 2 years' college experience, yet the evidence indicates that more than 60 percent of all Oregon adults over the age of 25 have not been to college and of those, 25 percent have not even completed high school.

This is the very group of people on whom the Oregon economy is going to have to rely to meet the economic challenges ahead. According to the House Education and Labor Committee, 68 percent of all the new entrants into the labor force are projected to be women and minorities.

A second group of new job seekers are workers whose jobs are going to be obsolete or will be phased out by their companies.

Both of those groups, those of displaced homemakers, older persons, minorities, and dislocated workers, are, in my view, the most underserved by our higher education system. Ironically, older and part-time students, the so-called nontraditional students, account for more than two-thirds of all those enrolled in post-secondary schools.

So, it is going to be absolutely essential that our education programs, particularly our colleges, implement some of the changes in

higher education that are going to make it possible for many more of our minorities and women, displaced homemakers, to go to college.

If child care were available, college would become more attainable for single mothers. If classes were held during off-hours, wage earners could more easily attend, and I'm particularly concerned that there seems to be very little student financial aid that is available to the part-time students.

It seems to me that it is an outmoded, outdated approach to, in effect, gear financial aid almost exclusively to full-time students, and that we are going to have to make some changes to what really is almost a relic of educational practice to get more direct financial aid available to those students who are going to comprise the bulk of the work force needs, which are those part-time students.

If colleges established mobile instruction programs, used television in instruction more fully, factory employees who don't live within commuting range also would be in a position to get a college education.

Now, certainly, there is a lot of talk in Washington, DC about educational reform, and I think the subcommittee notes especially that most of it has focused on the needs of young children.

Now, there is no doubt that the needs of young children are truly important, and the first of our series of hearings deals with educational reforms relating to K through 12. I am especially concerned that there may be more assistance for the Head Start Program which dollar for dollar is as good a program as any that our country offers and, of course, reaches the young people who are at risk.

But if we are going to compete in tough national and global markets, we're going to have to make changes for those who are going to be entering the work force in the year 2000.

Certainly, the 80 percent of the work force that is going to be entering in the year 2000 is going to have to be in a position to update their skills, on a regular basis, get access to retraining, and be in a position to get the jobs of the future.

Limited access to education is definitely the surest predictor of poverty and the lack of empowerment of our citizens, so, we are going to be taking steps this morning, and in the days ahead, to make sure that our employees are in a position to develop the critical thinking, the analytical skills, so they can get the jobs of the future and empower themselves, and their families, to tame their potential, and be in a position to help our State to grow and prosper.

So, we're very pleased to have a distinguished panel of witnesses. Our first panel will be Ms. Deborah Nowlen-Hodges, who is a graduate of the project here, Mr. Terrence Taylor, a Portland State University student, and Mrs. Delsie Gilpin, of the Student Dislocated Workers Project.

If you three will come forward, we have a few small formalities that we will attend to, but we welcome all of you.

Wow! That's enough water to fill the ocean. I want to make sure that the Californians don't see all this water.

[Laughter.]

Chairman WYDEN. Let's see, who are we missing? Are we missing—oh, there's Delsie. Excuse me. Right in front of me. That's great. Just fine. Leave her be, and we will let her rip.

Well, Ms. Hodges, Mr. Taylor, and Mrs. Gilpin, we welcome you. It has always been the practice of the subcommittee on regulation to swear all the witnesses who come before the subcommittee. Do any of you have any objection to being sworn as a witness?

All right.

[Witnesses sworn.]

Chairman WYDEN. Well, we thank you all very much for coming and for your participation. We're going to make your prepared remarks a part of the hearing record in their entirety, so, all of your words will be preserved for all time that are on paper.

I always say that if you could take about 5 minutes or so, and just talk to us, just talk to us so we hear it from your heart, and hear it just the way you want to serve it up, I think that's particularly helpful, and why don't we begin, if we could, with you, Ms. Hodges.

TESTIMONY OF DEBORAH NOWLEN-HODGES, DISPLACED HOMEMAKER AND GRADUATE OF PROJECT INDEPENDENCE, PORTLAND COMMUNITY COLLEGE

Ms. HODGES. Good morning. My name is Deborah Hodges. I am a graduate of Project Independence at Portland Community College.

Thank you, Mr. Chairman, for giving me the opportunity to testify this morning.

Chairman WYDEN. If you could pull the microphone closer.

Ms. HODGES. Thanks. Two years ago, before embarking on a journey as a single mother, displaced homemaker, I did not believe I would make it to this point. Much to my surprise and dismay, I am today graduating from college.

I am the recipient of the Verne Riles Award. I was selected by the Salvation Army, along with my daughter, to publicly represent their daycare center. I am a member of the Financial Aid Executive Board, and have my opinions on matters affecting the community in which I live, quoted in several major publications.

The journey has been difficult for a divorced mother of four who for years lived the dream of being taken care of by my husband until death us do part. The shattering of a marriage and being the sole responsibility for 17, 15, 10 and 2-year-olds without a college education was frightening.

I was devastated, but I continued to struggle to make ends meet and to find a better way through prayer and faith to take care of myself and my children. Excuse me.

My determination led me to Project Independence, a program located on the Cascade Campus of Portland Community College, designed for single women and displaced homemakers like myself. The day I became enrolled in Project Independence, my dreams became a reality.

Project Independence gave me the opportunity to start my life over again from scratch. I built my confidence through the support of Sally Barry, who taught me how to believe in myself and my ability to obtain my goals.

The educational process was like being on an emotional roller-coaster--frustrating, challenging, and exciting. The process helped me to see my capability, potential, and areas of growth. In spite of the negative images often portrayed by the media about the community or Portland Community College, where Cascade Campus is housed, those images have not penetrated the campus walls or grounds for me.

I have been afforded the opportunity to learn and grow academically, but, more importantly, I have come to respect and appreciate the rich cultural diversity that exists on this campus. For it is on this campus that I learned to take risks and learned about others who were different from me, and to share with them about who I am.

Many campuses teach academics. Few will share bonding experiences with individuals who are of different backgrounds. In my journey, I have started my life over again through self-expression, rebuilding my self-esteem and to allow myself to dream and actualize the impossible.

I am a positive role model for my children, other divorced and displaced homemakers. I am proud of my rich cultural heritage and the role it has played in helping me be who I am today.

The courage I have obtained from my experience here is proof that when you give individuals like myself a chance to make a difference, we will choose to make the difference with the support and encouragement of individuals like Sally Barry, Terry Greenfield, Vern Riles, and Project Independence.

My being here today is indicative of keeping the dream alive. My faith in God and the love and support of my family and fellow students are the driving force that will keep me going.

This point concludes what was to be the graduation speech for the commencement ceremony for PCC on June 1st. One of the lessons I have learned here in the past 2 years is to accept disappointment as gracefully as I accept victory. I was not able to give this speech.

What I would like to share with you this morning is that when I wrote this speech, I thought I was going to be the Nancy Riles Memorial Scholarship winner from the PCC Foundation. But the additional disappointment did not stop my dream, which at this time was very strong, that is the desire to continue my education.

The continuation of this dream will take money, along with the desire. Unfortunately, I have only the desire at this point; however, I believe that when one door closes, God will open another. I am confident that with this desire I have, opportunity will present itself for me to continue my education at PSU. With the help from the staff at PCC, PSU, and from Congress who appropriates funding, I will definitely feel like I have options.

Thank you, Mr. Chairman, for having me here today to share in my vision.

Chairman WYDEN. Thank you very, very much, Ms. Hodges, for your excellent presentation. I would like to note that it is traditional among congressional subcommittees that after a witness finishes their statement, that the chairman makes a big deal about how everyone should be quiet and shouldn't applaud. I want you to know, I'm going to waive that rule for you.

[Applause and laughter.]

Chairman WYDEN. You made a very, very excellent statement, and we appreciate your being here, and I will have a few questions here in a moment, after Mr. Taylor and Ms. Gilpin have made their presentations. Thank you.

Mr. Taylor, we welcome you. I think I am told we have to get you that microphone that your colleague just had so everyone can hear you. We welcome you for your remarks, sir.

TESTIMONY OF TERRENCE TAYLOR, STUDENT, PORTLAND STATE UNIVERSITY

Mr. TAYLOR. Thank you and good morning. I am Terrence Taylor, a student at Portland State University. Thank you for this opportunity to testify this morning. I will direct my attention on how higher education has affected the minds of black students.

Mr. Chairman, America's higher education system has failed in developing the minds of her people, particularly dealing with black students. Just a little over 25 years ago, many States had laws on their legislative books which prohibited blacks from acquiring an education.

The old saying was blacks could not learn, did not want to learn, or did not need to learn. Well, Mr. Chairman, let me tell you how this higher education system has killed the minds of many black students in America and in Oregon.

Black people in America and here in Oregon are the biggest consumers of America today. I ask how a Nation within a Nation, whose gross national product is greater than the Canadian GNP and many other countries in the world, cannot solve the problems that keeps this from developing into a great Nation.

We cannot solve our unemployment rate, housing, poverty, and cannot develop a sound economic plan for us and others to follow. A Nation's wealth is based on her productivity.

True, black people have the wealth, but we do not have any productivity, but we are said to be the most educated black people in the world. I must say, Mr. Chairman, that the American educational system has failed.

Now, dealing with Oregon's higher education system, I will label it as an academic terror. Why do I call the Oregon higher education system terrorist? Because the white controlled and run institutes really don't want us, as black students, to be educated.

The people who run these institutions—the deans, the chairpersons, the vice presidents—are the institution. The institution reflects their collective personality. It is this cultural and social elitism that poses serious problems for our pursuit as black students in Oregon higher education.

The Oregon higher education system reflects people without worldly experience. They have grown up in a very closed and narrow environment. I am sure they have good minds, but their good sense is nonexistent.

They lack the fundamental reference of an adult existing and living that teaches tolerance, understanding, flexibility, and security. The academic setting is a cocoon, a protected environment, so

they will kill the minds of black students to secure and advance their cocoon.

So, how can we change this environment in Oregon's higher education system? First we must develop a successful recruitment program for black students, and qualify black professors into Oregon's higher education system.

Second, we must increase the graduation rates of black students in Oregon's higher education system, and, finally, the current student support service program, such as the Education Opportunity Program, needs more financial support from Federal and State government.

Thank you, Mr. Chairman, for having me here today.

Chairman WYDEN. Mr. Taylor, thank you, your statement is very helpful, and I will want to ask some questions here in a moment.

Ms. Gilpin. We welcome you, we need to get you Mr. Taylor's microphone, and please proceed.

TESTIMONY OF DELSIE GILPIN, STUDENT, DISLOCATED WORKERS PROJECT

Mrs. GILPIN. My name is Delsie Gilpin. I am a student with the Dislocated Workers Project.

Chairman WYDEN. Please speak up just a little bit. Pull that microphone a little bit closer to you. You have a soft voice and people want to hear you.

Mrs. GILPIN. Thank you. Mr. Chairman, for everyone's sake, with the tax dollars from my earnings, I gave you something valuable to me, something I worked hard for. I gave it to you with faith, trust, and confidence in your ability to invest it wisely in the needs and future of the citizens of this country.

Now I have lost my job, and my earnings, but because of the leadership and vision of you and those serving with you, for everyone's sake, you are giving me a return on my tax dollars.

You are investing in me and the truck drivers, warehousemen, sheet metal workers, technology managers, mechanical engineers, and bankers in my class. You are giving us the second chance of a lifetime through the Dislocated Workers Project.

For everyone's sake, I urge continued funding of this excellent training program and other programs like this. This is the type of program that keeps people productive and feeling worthwhile. This is the type of program which keeps earnings steady, which keeps Oregon's revenues stable. This is a program which benefits the future of the citizens of this country.

This program is a perfect example of how the Federal Government, business community, and schools do work together to revitalize talented and experienced workers to meet the challenges ahead.

We know, because we lost our jobs, that businesses are rapidly, dramatically, changing the way they do business. This program is designed and taught to prepare workers to knowledgeably and skillfully support their employers through the challenges ahead.

I didn't know where, or how, to look for work when I lost my job when my employer, Hospice House, closed last December. I'm 49. My work focus has been clerical health care. Did I have transfera-

ble skills? What skills did I need to learn? Who's hiring? How could I get the help that I needed to get back to work quick?

I believe the biggest obstacle to meeting the challenge of change is not knowing how to work through it. For my sake, the Dislocated Workers Project is available to teach me. It is free to me, and this is how it works.

Dislocated Workers Project starts everyone with a 2-week discovery class. Our educational level, skills, temperament types, and preferred work environment are examined. They guide us to discovering what we want our next job to be, how to find it, how to ask for it.

We are taught proven, employable methods of how to write a resume, fill out an application, and conduct a job interview. Dislocated Workers Project then assists us in obtaining the training needed to qualify for our next job.

Class selections are not random. We don't take whatever we feel like. We have to research our target employers. We must interview employment managers to identify experience and educational background that they, the people with the hiring authority, look for when they hire.

Dislocated Workers Project does not provide us with an academic degree. The program funds other programs that will return us to a good job fast. They do provide funding for short-term community college job-related classes and training.

In addition to community college classes, the Dislocated Workers Project offers classes of their own design. These courses are tailored to the competitiveness and needs of the business community. I believe these classes are unequaled. They are taught by high-caliber business consultants.

Some of the custom classes I have been able to take are customer service, technical support leadership training, interpersonal communications, business writing skills, and verbal business presentation skills.

I gave my first speech 5 days ago in that business presentation skills class.

We are each assigned to a counselor called a case monitor. These dedicated, hard-working people provide us with coaching, monitoring, and a good shove when it's needed. They see to it that our actions match our goals.

Part of self-development is self-placement. No one goes through their life without facing a loss. The key is to keep that loss from being thought of as a failure. Rabbi Cushner tells us in his book, "When Bad Things Happen to Good People," that disaster teaches you something of your strength and acquaints you with your limitations.

Through DWP, students learn well that job loss is change, that change is not a disaster. Change is an ending. It is also a beginning. For my sake, for everyone's sake, because of the money funded to the Dislocated Workers Project, there is support to teach us and to lead us to meet the challenges of change.

Yesterday's skills won't keep businesses open today.

Mr. Chairman, making a speech is a fearful thing. The best way that I can prove to you the value of the Dislocated Workers Project is to tell you that they taught me the skills to face this fear.

This is my first out-of-class speaking experience. For everyone's sake, I am facing the fear to testify to the value of this program. Thank you for this opportunity.

Chairman WYDEN. Mrs. Gilpin, thank you very much for coming, and I can tell you, you have topped the performance of many veteran congressional testifiers.

[Applause.]

Chairman WYDEN. If this is your first experience, look out, as you go forward with others. You give an excellent presentation.

Let me, if I might, just ask a couple of questions. Frankly, I would ask a whole fleet full of questions from each of you, because you have all done an excellent job, but time is, of course, limited.

Let me start, if I could, with you, Ms. Nowlen-Hodges. Tell us, if you would, a little bit, because, in effect, you have been out pounding the pavement trying to get financial assistance, that you can build on this effort that you have made through your hard work and your dedication, and, based on what you have told us, you have basically been up against concrete.

You haven't been able to get the help for the next stop to advance yourself. Why don't you, if you would, tell us some of the places that you tried to get financial help for your next stop, and what some of those experiences were?

I think, Mr. Taylor, since you are the man in the middle, you've got to help us a little bit with these microphones.

I think that would be very helpful for the record, to know, Ms. Nowlen-Hodges, about some of the efforts that you have tried over these recent months. We want to know exactly what your experience has been.

Ms. HODGES. Well, as I return to academic life, I am trying to balance four children, a household, part-time work, and the stress of returning to class after a lengthy absence.

What did help me was the low-cost housing that I obtained through Project Independence, and if there was an avenue that would be helpful in my next journey, it would be to have some of these things available to me, and I wouldn't have to do the work studies and that would free me up to focus in on my studies and render me a candidate for the Riles scholarship next year.

So, I would say that one of the advantages would be low-cost housing which would make me financially able to do other things.

Chairman WYDEN. The idea would be that you would like to be able to focus on your studies full-time, and that I think your case is a pretty good example of what I was concerned about when I started today, that the system just doesn't seem to work very well for somebody who has been going at it part-time.

What you would like to be able to do is just focus on it full-time and then you would be able to get financial assistance.

Ms. HODGES. That's exactly my sentiment.

Chairman WYDEN. Yes, OK. Well, beyond the fact that we are going to be interested in working on legislation in the higher education, I want you to know that we are very willing—Ms. Smith is here today for a number of purposes, to get everyone's testimony and to also look at ways in which we can help.

We are willing to hunt and peck with you to try and find any possible way to get you to college, because it seems to me that the

system should not be turning its back on young people like you who are trying to go the extra mile and advance yourself, so, we will work on legislation, and then, here at home, we will see if we can't try to help you in your search to try and get assistance.

Ms. HODGES. Thank you very much.

Chairman WYDEN. Now, Mr. Taylor, you make a number of points. I am particularly interested in hearing about further efforts in the recruitment area, both in terms of dedicated minorities who wish to advance themselves, and in terms of professors.

What thoughts do you have in terms of how we could possibly advance these recruitment efforts through the Government?

Mr. TAYLOR. One way I feel we can advance recruiting efforts is that today, dealing in Portland State, I don't think the recruitment effort is really a solid program at recruiting students into the university.

I, myself, feel that in order to be a successful recruiter going out and recruiting students, you must bring the college students along with you, that they have a program like work-studies on the college campus, but none of the students are hired to be assistant recruiters, assisting the recruiters and going out to the local high schools.

I think that that program would be effective in recruiting students because who's better to talk to the students than students.

So, as far as qualified professors, for the Oregon system, I know they send memos out in recruiting areas in the northwest and all around the country in a magazine. I don't think as far as we, pushing it strong enough to bring in educators, not being promoted in the college scene as once in history, to be as educators in the 30's and 40's was an important thing to be. Today, those qualified instructors are moving into the field of engineering and business.

So, the society changed and is saying let's give a job to me, $38,000 to $40,000 a year. So, I think our best professors are going toward making the field of business and engineering, and that's one thing that I think that is really hurting us today, as students, because a lot of the qualified professors are no longer in the field shaping the minds of other people because it is not rewarding. You would rather get a million dollars dribbling a ball up and down the court.

But a person who develops the mind of a human being, you pay them only maybe $40,000.

[Applause.]

Chairman WYDEN. Well, you make two very good points, sir, and we know that this problem in attracting top flight professors is something that you literally see across the country, and clearly we are going to have to try to find ways to get more rewards and recognition in order to advance teaching.

I have tried to do that in terms of the high school students and students, the grade schools—I was the author of the law to give talented teachers scholarships to get young people into teaching, and fellowships to recognize outstanding teachers in the public schools who are already there.

This idea of how we find rewards, particularly for those at the higher education level to keep them into teaching, and particularly

talented minorities, is an extremely important area, and I appreciate your highlighting it.

The point with respect to the work study students being possible recruiters sounds to me like it is probably just too logical for the Government ever to get into, but seriously, that's just a first rate suggestion, and we will have some of the heads of the colleges and universities here in a couple of minutes, and I'm going to ask them just about that idea, and if there are any Federal laws that would obstruct it. I could go to work to try to change that, but your idea that work-study students, particularly those who are minorities and women, could, in effect, through their work-study program, be recruiters and be out in the community almost like role models trying to stress the benefits that education presents. That is a really first-rate idea, and I will follow that up, and we will even start following it up in like 20 minutes, because we will have some of the presidents here in a bit, and we thank you for your very helpful comments.

One question for you, Ms. Gilpin. In terms of your project to try to assist the dislocated workers, what happens to those like yourself who aren't reached by a program? What is the alternative so we can really get on the record just the exact value of this kind of program?

Do most of the people, who can't join a program like yours, need public assistance? What happens to those as an alternative if they can't work through your program?

Ms. GILPIN. If you don't know better, you can't do better, so if you don't know there are other courses of education, other opportunities out there, you would stay longer on unemployment; the job opportunities and the skills that you would need to find a new job would not be there, and the circle would repeat itself.

You would not—yes, there would be need for public assistance, and more public assistance.

Chairman WYDEN. It is really kind of a Catch-22. You are on unemployment, you can't get access to your program, you can't get the training and the skills that you need to get off the unemployment, and your unemployment benefits are exhausted, and then you really have nowhere to turn, and you need public assistance, possibly.

Ms. GILPIN. You probably would go back and work in the same area that you had worked in, if you could find work in that area, but that wouldn't be benefiting all, that wouldn't be benefiting everyone. Your business would be less likely to succeed as well.

Chairman WYDEN. A lot of those jobs may not be there when you try to go back.

Ms. GILPIN. Right.

Chairman WYDEN. Aren't a lot of those kinds of positions that landed a person on unemployment initially, because the business was not profitable and had to lay people off.

Ms. GILPIN. The members of my particular class, most of them—there were about 20 of us—13 people in that class had jobs that no longer exist. There is no demand for those jobs anymore.

Chairman WYDEN. Of those 13, when they finished your program, the bulk of them were in a position to go out and get a job in a

sector of the economy that was more prosperous and healthier at that time.

Ms. GILPIN. With a new attitude.

Chairman WYDEN. I got to tell you, we ought to try and put your attitude in a Xerox machine and kind of make copies of you and station you around the country, but all of you have really been, excellent. Each of your presentations has been very helpful.

As I say, I would probably ask you questions and jaw at you all morning if we didn't have so many other panels and witnesses to come. I thank you very much for your suggestions and your help, and we are going to be working closely with you in the days ahead.

Thank you.

Ms. GILPIN. Thank you.

[Applause.]

Chairman WYDEN. Our next panel, Dr. Daniel Moriarty, Dr. Nancy Wilgenbusch, and Dr. Robert Frank.

We are very pleased that Dr. Moriarty is welcomed by an old friend of this subcommittee, Mr. Dan Salzman, who served on the chair and the personal staff in Washington for many years, and did yeoman work in the environmental area, and is on the board here. We welcome you as well.

We have got some formalities. Dan, is it your expectation that you would like to testify as well as the president?

All right. Let us have you rise and raise your right hand.

[Witnesses sworn.]

Chairman WYDEN. Well, we welcome all of you. Thank you for your cooperation. We know that all four of you are on the front lines trying to make programs work for the young people who are assembled here in considerable numbers showing their interest in it.

We are going to make your prepared remarks a part of our hearing record here in their entirety, and if you could summarize in 5 minutes or so your principal concerns, that would be helpful.

Dr. Moriarty, why don't we begin with you, and we will get that microphone a little closer to you. Please proceed.

TESTIMONY OF DANIEL MORIARTY, PRESIDENT, PORTLAND COMMUNITY COLLEGE

Dr. MORIARTY. Thank you, Congressman Wyden. Welcome to Portland Community College, and I am thanking you today for giving us a chance to talk about the important issue of access to post-secondary education.

Dan Saltzman, who is the vice chair of our board of directors, would like to take a few minutes to share with you our view on barriers that nontraditional students face in education and let you know some of the ways that we, at the college, are addressing those problems and address some approaches that Congress might take to improve the situation.

I do want to note that many of the people in this room are from some of our special programs that do reach out, in very nontraditional ways through our skill center and Project Independence, to serve the community.

We are very proud of our affordability and diversity of our staff and student body. We truly see our institution of the integral part of the five county community that makes special efforts to provide programs for all our residents.

Most of PCC students are, in fact, nontraditional. I think you are probably aware of the national data that is put out by Dr. Bud Hodgekinson which notes that of the 12 million students who will be in higher education, only 2 million of those are your traditional students—that is, students who are in the 18- to 20-year-old bracket who are attending a full-time 4-year college in residence.

Therefore, most of the students in higher education today are nontraditional, so, again, we have some problems with our terminology.

At Portland Community College, 15 percent of the students are members of ethnic minorities. Most of them are employed, and many are single parents and older adults. Access to higher education for many of these students depends upon the availability of the ability of this institution to provide flexible programs at convenient times and locations at low cost.

While the major responsibility for education is at the State and local level, we think there are several ways that the Federal Government can help in this effort.

The most obvious way is improved financial aid and Dan Saltzman will talk about that, but there are other national issues as well.

First, this Nation must adopt a strategy which recognizes the critical link between education and the economy. Education can no longer be viewed as purely a social issue and relegated to the side of the budget and policy consideration.

Our leaders in Congress and the White House need to place the highest priority on programs which develop the human capital in this country if we are, indeed, to have the skilled workers and educated citizens necessary to compete in a rapidly changing global society and economy in this next century.

We need leadership and incentives to help us begin to implement some of the recommendations of the various reports about education and the economy, rather than more reports and rhetoric. Some would wonder at times if education does not become at times a very convenient political football.

Specifically, I would urge the following actions: Provide monitary support and tax incentives for students who could not otherwise afford an education. Enhance the quality of post-secondary education through increasing support for programs such as the Minority Institutions Science Improvement Program.

Renew Title III of the Higher Education Act to enable our institutions to respond to changing demographics in our communities, and focus programs of the National Science Foundation and the National Endowment of the Arts, and I would add the Fund for the Improvement of Secondary Education on community college programs.

It is indeed a struggle in many of these programs to carve out an area of service for the hundreds of thousands of students, millions of students who go to our community colleges, and our national organization works very diligently on that.

There are several pieces of legislation currently being considered in Congress to give more focus to the community college dimension of those programs.

Establish an office of community colleges in the U.S. Department of Education so that higher education policies and regulations initiated there will recognize that over half the students in higher education today are enrolled in community colleges.

I think the congressman is very well aware of the legislation toward that goal.

Enact and fund the National Advance Technician Training Program to fund community college industry training programs. I know there is a piece of legislation on that, too.

Maintain the tax incentives for employers for educational training and assistance for their employees. It is always a marginal issue every time the tax law comes up, and we work real hard to maintain that benefit for employers as an incentive.

Accelerrate the funding of the Tech Prep Associate Degree Program in the Carl Perkins Vocational Act to improve coordination of high school and community college job training programs, and, finally, update the job training partnership act to improve partnerships and collaboration among community colleges and business industry job training programs.

Finally, I believe that nothing is more important to our Nation's future than an educated and trained citizenry. If Federal and State policies could be coordinated to help people gain access to educational programs, and if our leaders finally would devote as much time, energy, and money on addressing as education as they do on other issues such as defense, we would be in a far better position in the world in the years to come.

Again, thank you very much for being with us today.

Chairman WYDEN. Dr. Moriarty, thank you very much. We will have some questions in a moment, and that's very helpful.

We welcome Dan Saltzman. We want to take you, Dan, and then we will take our other panel members.

TESTIMONY OF DAN SALTZMAN, VICE CHAIR, BOARD OF DIRECTORS, PORTLAND COMMUNITY COLLEGE

Mr. SALTZMAN. Let me, on behalf of the board of directors for the community college, welcome you to this. We appreciate you having this hearing here.

At Portland Community College, we make special efforts to reach out and get nontraditional students involved in education, and we provide many services and programs, not only for nontraditional students, but also ethnic minorities, older adults, displaced workers, handicapped individuals, and single parents.

The diversity of the PCC student body is one characteristic which makes our college attractive. In fact, I often tell people if they want to get a sense what Ellis Island must have been like at the turn of the century in its hay day, they should spend a day on a PCC campus.

You know that, because you have visited and participated with many of the programs that we offer, and even though PCC is the most affordable secondary educational institution in the metropoli-

tan area, many of our students have severe financial limitations which prevent them from getting access to education programs.

We have a significant number of students on welfare and many others are single parents. The process of applying for financial aid is a long and arduous process for these students, especially when you consider the many balls they are juggling to try and make everything fall into place so that they can return to education. I think your previous panel was a real testament to that fact.

So, one of the most important things that the Federal Government could do to improve the ability of nontraditional students to gain access to education and training, is to improve the Federal financial aid system, and I will give you some specific suggestions.

One thing that Congress may consider is that students on welfare should automatically qualify for financial aid, and that might eliminate one impediment right there.

The application process for financial aid should also be streamlined and simplified and, of course, funding for financial aid programs we regard as woefully inadequate.

We would urge the Congress to consider more emphasis on grants rather than on loan programs because forcing single parents who are barely above the poverty level to borrow the money is really just a concept that doesn't fit reality.

At PCC alone, we have had 15 percent more applications for financial aid then we had last year, and every indicator is that these numbers will continue to grow.

So, those are some suggestions that I hope you will consider and take to Congress, and in addition to improved financial aid programs, nontraditional students also need assistance with child care and arranging other aspects of their lives as family members and as workers.

So, the Federal Government should provide child care subsidy, increase the Federal Head Start appropriation, provide incentives for businesses and employers to initiate child care programs, and give businesses tax breaks for promoting education and training for their employees.

As you mentioned in your opening statement, 50 percent of all students currently enrolled in post-secondary education are at community colleges, yet the Federal Higher Education Act and the U.S. Department of Education focus their efforts and programs on the traditional student.

The traditional students are really no longer in the majority, and Federal policies and procedures need to catch up with that reality and acknowledge that community colleges play a vital role in educating those people.

Let me just close with saying one other thing, and that is that perhaps it is in vogue, or even dare I say politically correct, to talk about the many business/education partnerships that exist, and those are very good partnerships nevertheless, but I think we also need to recognize the social service educational partnerships that exist.

I think increasingly you find community colleges, many programs that we are involved in such as Project Independence or the Northeast Skill Center as becoming really the point of access, the

first point of access many people have not just to the education, but also to the social service system.

I think there needs to be growing recognition of those partnerships as well. Let me just conclude with one good example and that is Project Independence, at which you spoke a few weeks ago, and also its sister program at our Rock Creek campus, New Directions.

Kaiser Permanente provides medical insurance for all the students enrolled in that program, and I know from the New Directions Program—I am not sure about Project Independence—that medical insurance covers them and their families for a period of 2 years beyond the program, and that's certainly something that we are very happy to have and we appreciate.

Thank you very much.

[Mr. Saltzman's statement may be found in the appendix.]

Chairman WYDEN. Thank you very much. I want to make sure I've got fixed in my head, it seems incredible, did you say or wish to indicate that some students on welfare are not eligible for financial assistance because they are not poor enough? Is that what you said?

Mr. SALTZMAN. Well, it is my understanding that because you are on welfare, you are not automatically qualified for financial aid. That's just another hurdle that one must clear.

If there could be some way that people could be—

Chairman WYDEN. You have to be poorer than to be on welfare.

Mr. SALTZMAN. You can be on welfare; it is just that you are not automatically eligible for financial aid. You have to go through the whole paperwork process to do that as well, and it seems if we want to encourage people on welfare to gain new skills and better education, somehow perhaps precertifying them for financial aid would help.

Chairman WYDEN. I see. Good. That's helpful. I will have some other questions of both you and Dr. Moriarty in just a moment.

Why don't we go next to Dr. Wilgenbusch. We welcome you and appreciate your assistance, and we will make your prepared remarks a part of the record. If you could summarize your principal views, that would be helpful. Please proceed.

TESTIMONY OF NANCY WILGENBUSCH, PRESIDENT, MARYLHURST COLLEGE

Dr. WILGENBUSCH. Mr. Chairman, members of the committee, for the record, I'm Dr. Nancy Wilgenbusch, president of Marylhurst College located in Marylhurst, Oregon.

I appreciate very much the fact that the subcommittee is holding field hearings on the subject of work force preparedness here in Oregon and in this community. The subject is germane, and a comprehensive strategy is vital to the health of this community and others in the State.

Let me set the stage by relating a true story. Several months ago I visited an Oregon business which today employs 500 workers, has a $100 million budget in annual sales, and whose problems accurately mirror the overall situation in our American work force.

This company's president told me that his assembly line had to be, in his words, and I quote "dummied down" in order to give

more simplified and repetitive steps to what he considers an unprepared group of workers.

Many of these workers, when applying for a position, couldn't fill out their own applications because they couldn't read, and further, that 40 percent of those applicants failed the drug screening test.

That company more than likely will move offshore. National data supports the fact that at the time of increasing need for skilled workers, American workers are increasingly illiterate and ill-prepared to fully function in the workplace.

The need to provide post-secondary education for workers including minorities, older women, dislocated workers, and displaced homemakers is well-established. The obvious question is how can and what type of education should be provided?

Our experience at Marylhurst has shown us that the most important step in meeting these goals is first to address the question of access. The concept of access needs to be defined aggressively as well as broadly. Access needs to be viewed as more the lack of obvious barriers to education which are based on gender, race, or creed.

Rather, it needs to be defined positively as to what it is or should be, rather than what it isn't. All citizens of our State ought to be assured that acceptable educational opportunities will be available to them to the extent that each person's individual talents and abilities can be supported and enhanced.

This support should be aimed at allowing each person to gain the skills necessary to be an independent, fully functioning adult. This is basic access and this should be the State's top priority.

Access to opportunity in post-secondary higher education is fundamental to the creation and maintenance of a viable and stable social, economic environment in the State of Oregon.

Educational opportunities, however quality-laden they might be, are inadequate if certain segments of our citizens are excluded from fully participating in them. The exclusion is real, and its genesis is multifaceted.

The first thing that needs to happen is that an operational definition of access needs to be formulated by the State and should drive our educational strategies. Agreement on the definition and its resulting implications must be across higher education divisions including the State's public universities and colleges, and the community colleges.

Without this convergence of thought on what access really means, coherent planning of allocation of resources will be impossible and looming questions left unanswered.

Second, we need to test the accessibility of our programs, and a statewide audit of programs is necessary, using these following criteria and then others that we would need to add.

Among those criteria, do admissions criteria allow access by the nontraditional, nonwhite learner? Does the program list skills necessary for successfully accessing and completing the program ranging from basic language and quantitative skills including coping with learning disabilities, and are those available?

Are the programs offered at times and in sequences which allow accessibility beyond the usual 8 to 5 schedule? Have all programs been reviewed for cost and available economic assistance, specify-

ing whether grants or scholarships may be available, program by program, not just institution by institution.

Do programs have a single point of entry which allows students to attend classes across the system? Finally, are courses and classes taught fully transferable to like programs within the State?

Third, changes in how funding occurs in post-secondary education and for technical education needs to be realistically considered and radically altered. It is time for Oregon to adopt a public higher education finance strategy that improves opportunity for lower income people, and charges people according to their ability to pay, and recognizes a relationship between tuition policy and need-based financial aid.

With large infusions of State and Federal funds not anticipated, new policies and procedures to improve or reform student aid must be developed. Several States are considering tuition policies now, that are based more heavily on the applicant's ability to pay.

It has been recommended that this philosophy and policy be implemented, but, it should be phased in over several years, and should be dependent upon an in-depth annual analysis by the scholarship commission and office of education policy and planning.

A phase implementation is recommended for the following reasons. First, sufficient data is not available on student family resources for all individuals admitted to public institutions. There is no data on that.

Second, funds are expected to be limited for most, if not all, of the next two biennials, and third, changes in higher education financing policies must be a slow process because of the number and size of the groups interested in, and impacted by, the changes.

Last, the proposal represents a significant departure, somewhat radical, from current practice and philosophy which will require time to explain and promote.

To adequately educate the work force now and in the future, our Nation will have to make it a top priority. It will have to become a share focus, one that is so important that it informs our actions and drives our decisions. Until it does, we are all guilty of protecting the status quo.

Chairman WYDEN. Doctor, thank you. That's very instructive, and I will have some questions in just a moment.

Dr. Frank.

TESTIMONY OF ROBERT FRANK, ACTING PROVOST, PORTLAND STATE UNIVERSITY

Dr. FRANK. Mr. Chairman, and members of the subcommittee—

Chairman WYDEN. You've got to move the microphone—yes, that one over there—to you.

Dr. FRANK. Mr. Chairman and members of the subcommittee, I am Robert Frank, the acting provost of Portland State University.

As do other panel members, I appreciate this opportunity to testify at the subcommittee's hearings on how to expand participation of post-secondary education, and how the Higher Education Act can enhance educational opportunities for all Oregonians.

In preparing my remarks, I had included several examples of students, but we have heard already eloquent and compelling testimony this morning, and so I am not going to repeat that. I want to congratulate the earlier panel members.

In my remarks, I will try not to repeat many of the compelling statements that have already been made. Let me set a context for some of the remarks that occurred earlier from the student panel members.

Portland State University is a major urban university with 15,000 students, half of whom are part-time. Approximately 25 percent are working on graduate degrees.

Portland State University is among the institutions of higher education serving a high percentage of nontraditional students. If we look at the students who apply for financial aid, only 40 percent fit the traditional model. These students average 19 years of age and go to school full-time. They have some financial support from their parents and a high percentage will graduate in 4 years.

The other 60 percent are quite different. They cannot rely on parental financial support. They are older, with the average age being over 29 years, and many attend less than full time.

Because their circumstances are different, the financial needs of the nontraditional students are different and often greater than the traditional student. Nearly 10 percent of Portland State University's nontraditional student applicants for financial aid have dependent children who require child care.

Within this group, half are single parents. Contrary to what some expect, students who must work while pursuing their education, may need more, not less, assistance. As I mentioned, they often have family obligations and other expenses that require more assistance than the traditional student.

While we are able to meet approximately 97 percent of the financial needs of the traditional dependent student, we are able to meet only about two-thirds of the financial needs of the nontraditional student.

Reliance on loans is a serious concern for educators, and, unfortunately, the situation is not getting better. In 1981-82, almost 35 percent of the financial aid package for a PSU student would be in the form of grants, and 46 percent would be in loans.

Nine years later, the grant portion of the package dropped to 30 percent and the loan portion rose to more than half or 53 percent.

The Portland State University experience is not unique. The Department of Education study disclosed that the proportion of college graduates with debt burdens increased from one-third to one-half between 1977 and 1986, and the median amount of debt more than doubled from $2,000 to $4,800.

From our perspective, the greatest need lies in increasing the grant funding and reducing dependence on loans, particularly the nonsubsidized loans. A $4,000 maximum has been suggested, and that amount seems reasonable; however, the goal of increasing reliance on grants and reducing it on loans is substantially undercut when the grant maximum remains unchanged for years at a time.

A simplified and liberalized formula for Pell Grant eligibility and some type of automatic cost of living increase would be most helpful.

Loans are a reasonable and necessary element of any financial aid package; however, to the extent that loans are necessary, more flexible repayment plans are needed. One of the major goals of the educational grants was to make it possible for low income and at risk students to attend college.

However, we are finding that these students are not as well-prepared for academic study as the higher income students. Only 40 percent of low income students complete a bachelor's degree within 6 years, compared to 60 percent of the more affluent students.

This disappointing statistic illustrates the need for cooperative efforts that have been referred to earlier between higher education and elementary and secondary education.

Portland State University, for example, operates two very successful programs to accomplish this objective. One is called MESA, mathematics, education, and science achievement, and, in this program, the university works with local schools to encourage science, math, and engineering among low income and minority children.

The second is the Portland Teacher Program. This program identifies and encourages minorities to pursue careers in teaching. We work with the middle schools and secondary schools in Portland to develop the students' interests.

Federal support for these types of programs would contribute to future success of these students. Earlier, there was some mention of administrative rules, and as administrative rules governing financial aid, a number of us think, should be modified to take into account the needs of the growing number of nontraditional students at institutions of higher education and should be given maximum flexibility in transferring funds among campus-based programs.

The American Council of Education has urged authorization for campuses to increase from 15 percent to 25 percent of supplemental educational opportunity grants, college work study, and Perkins Funds that they may transfer among the programs.

This authorization would allow campuses to compensate for the differences among the needs of students. While the student population of the average campus consists of 60 percent traditional students, 40 percent nontraditional, as I mentioned earlier, the Portland State University student population and the student population of other institutions represented here is almost exactly the opposite.

I do not, of course, envy Members of Congress the difficult choices they must make. Nevertheless, I urge you to consider aid to higher education as an investment that will pay economic and social benefits into the next century.

We must do these things because they are legally mandated, but also, because they are the right thing to do. We are training the work force, the entrepreneurs and the professionals of the next generation.

Thank you for this opportunity to appear before the subcommittee and testify.

[Dr. Frank's statement may be found in the appendix.]

Chairman WYDEN. Dr. Frank, thank you. All of you have been very helpful. Let's just try to build a little bit on the panel we had previously and with the young people and what they were saying.

Now, Dr. Moriarty, how many of the classes offered at PCC are directly transferable to say, your neighbor, Dr. Frank at PSU?

Poor Dr. Wilgenbusch is right in the middle of this.

Dr. MORIARTY. All the classes that we have in our catalogue that are listed as part of the transfer program are transferable to any institution, senior institution, or part of the Oregon State system of higher education in this State, and that's almost by force of law. It was directed to the higher education system. We worked together on that, and we have a compact agreement, and it is very carefully spelled out.

Chairman WYDEN. So, almost everything then by law is transferable.

Dr. MORIARTY. Almost, but, obviously, we offer 57 different vocational and technical programs, and those are explicitly outside that pale. They have to be negotiated on an individual basis. In fact, across the country, we are finding more students who go through voc tech programs who wind up transferring to senior institutions and it differs from State to State—sometimes people then coming out of transfer programs explicitly.

Chairman WYDEN. Has it been your sense that the principal reason that community college students are having a problem transferring to 4-year-colleges just comes down to this bottom line of Federal financial assistance?

Dr. MORIARTY. I think that's one of the problems. I think there is a lot of research Alexander Aston has done on this topic and others, and just the very act of transferring is difficult. It is moving from, well perhaps, a smaller environment with smaller classes, individual faculty members mostly staffing those classrooms, moving into sometimes a larger university environment with, perhaps, different philosophies and so forth.

You have to commit the act of transferring if you will. You actually have to go to an adviser again. You have to consult with your program. You go to a physically different place, and, indeed, financial aid becomes a problem at that point, especially as the speakers have pointed out, with students' pattern of attendance, as you have pointed out, is not the traditional pattern of full-time enrollment. It is full-time this term, but maybe part-time the next term and back and forth.

Chairman WYDEN. Well, that's very helpful, and I think we ought to zero in on this question of financial assistance because my sense is that you look at the Federal assistance package, and particularly the question of grants, and I appreciate the fact that you all have made the exact same point as the students have made, that if you are on a small income, it's going to be essential to have some kind of grant help or otherwise you are going to be buried under debts, for eternity almost, just on loans.

Why hasn't the Federal financial system looked at even some kind of proportional kind of way to help students? Is this just the Federal Government being stubborn as mules or what has been the delay in doing it? It just seems like this is just a policy out of another age or something.

Dr. MORIARTY. I will just quickly comment. It seems to me the pattern from the executive level on a national basis has been to

lessen the amount of money, contrary to previous administrations, put into financial aid.

Chairman WYDEN. Generally.

Dr. MORIARTY. Generally, right, across the board from 1980 you can mark it with a pencil, date and time. It began at that point to go down in literally billions of dollars, the amount of money that has been set aside, contrary to previous administrations that allowed that financing to move right up.

Clearly people, and the new proposal coming out of the executive branch which would basically take money entirely away from anyone even on the lower middle income basis will be extremely destructive, in my opinion, to the fabric of society.

Chairman WYDEN. So, the trend since 1980 has been to cut Federal financial assistance, and the group we are talking about wasn't even at the table in 1980, so there isn't even anything that they can fall back on. Is that a fair assessment, Dr. Wilgenbusch?

Dr. WILGENBUSCH. This is simply not a priority.

Chairman WYDEN. What about at a minimum, this idea of proportional assistance so that at least you could get some measure of help to the part-time students? Would that be one way, and any of you three feel free to get in it, to get some help to the people who are here in the audience?

Dr. MORIARTY. Congressman, it is fact, it is part of the financial aid administration that part-time students do get—I would not want you to get the impression that people who are taking six or more credits do not have access to financial aid, and it is proportional.

But there are a lot of students who are not taking six credits, and the amount of financial aid, as Dr. Wilgenbusch has pointed out, the absolute amount available is less and less and less, so that money becomes a critical factor in helping them to move along, but it is available right now on a proportional basis.

Chairman WYDEN. For six credits and up.

Dr. MORIARTY. At the last time I looked at financial aid, yes.

Chairman WYDEN. Now let's go through this. This is very helpful, and the students obviously were frustrated, and this gives everybody on both sides of the dais a chance to get educated.

If you go six credits, so you would be a part-time student. What would you be eligible for, assuming your marks were high and you met the various criteria?

Dr. MORIARTY. I might say, if it is $2,400 that you would get, and Dr. Frank, correct me if I've wrong or whatever, then proportionately if you were going half-time, the absolute most you would get for the entire year would be $1,200. That's if you have absolute need. In other words, if you have no money to contribute, that would be the outside of the amount of money that you would have—approximately $1,200 a year.

Now, that would be intended to cover all the kinds of expenses that you have, and as we know, college textbooks are almost averaging, I believe the last price was almost $40 apiece.

So, it's almost like saying in a community college, to register is cheaper than to buy your textbooks, so putting it all together, it is not a lot.

Chairman WYDEN. Well, that I think is what we really needed to narrow down because I think what the students have said and what I've said is that there is virtually no assistance for these people, and just as you have said, it is probably cheaper to register or anything else. That's very helpful.

If you had to identify—we are going to kind of move up the line from the 2 years to the 4 years—if you had to identify, Dr. Moriarty and Mr. Saltzman, one step that you think would be especially cost-effective for community colleges in extending access to more part-time students, what would that one step be at this point?

Dr. MORIARTY. I can think of probably 10 steps so it is going to be hard to go down to 1 step.

Chairman WYDEN. Well, I am sure I would be in favor of each of your 10, and given the financial climate that you three have all correctly recognized, I am probably going to be working hard to try and pull off 2 steps.

Dr. MORIARTY. I think what's important is that access be meaningful and purposeful, and not indiscriminate. I think there needs to be support programs in place, and I think the Federal Government has made some effort at that with trio programs which are very under-funded and universities and community colleges that participated in that have experienced that over the years.

That was a grant program that was put in some many years ago and has been seriously eroded over the course of time that I refer to, but those kinds of programs are very important to improve access.

We have at our place, for instance, the FX student success program that is specific to an allied health program. Its purpose is to help people of ethnic minorities to access our allied health programs, and with support and help, it really does work, so I think supportive kinds of programs—and the students have outlined some of the needs that they have in trying to improve their access.

People will literally sign up, for instance, to come into our nursing programs, will qualify under any kind of academic rule, and then when they actually come down to it, the child care doesn't come through, the financial aid isn't right, and they have to support children, and have a family, and do all these other kinds of things.

So, I think supportive services like the trio program become very helpful in promoting access, and without that, it is meaningless to say we have X-number of seats in the classroom that were in your community, why don't you all come to school? It's not humanely, realistically possible. The people out there want to improve their lives through going to school.

They understand that. You heard that over and over again and the physical presence of so many people in this room is eloquent testimony, but it is not enough for us to offer the classes. There needs to be support services in place.

Chairman WYDEN. Let me move on to you, Dr. Wilgenbusch, but the question I want to ask you, I think I would like to have Dr. Moriarty and Dr. Frank also involved.

You kind of really, I think, sent a quiver through me and really anyone else with that comment you made initially about the business with 500 workers. Without talking about some kind of ab-

stract, pie in the sky kind of thing, we have you as one of our leading educators saying you have seen this business, 500 workers, and, in effect, they are having to reduce the tasks and the initiatives their employees are pursuing because their people can't get the training that they need.

You wrapped it up really with the ultimate indictment of what we are doing in terms of education where you said this is a business, they are going to go offshore. They're going to vanish from the Oregon scene.

Knowing that, and knowing that all these young people are here today who presumably would like to work for these businesses and others, what should we be doing in the State of Oregon right now? When I walk out of this room today, and we wrap up this hearing, what I should I be doing working with Dr. Moriarty, Dr. Frank, and businesses, and others who are going to testify. What should we be doing now to keep that business from, just as you have said, leaving Oregon and the 500 jobs behind?

Are there some special initiatives that we can take right now to bring the State, and the community colleges, and the relevant groups and institutions to move quickly so that doesn't happen?

Dr. WILGENBUSCH. Well, one of the first things is the Oregon Need Grant is drastically underfunded, so, even if you wanted to get people into this room into their schools, and my school, there is—the poor people are excluded from that so the Oregon Need Grant is underfunded $83 million which means that we are spending the bulk of our money in this State, and every other State as well, subsidizing people who can afford higher education, and we are not giving it to the people who can't.

The rich get richer and smarter, and the poor get poorer and fall out.

Chairman WYDEN. I pretty much share your view.

[Applause.]

Chairman WYDEN. I very much share your view on that and that I guess goes a step even beyond my question because that Need Grant will involve the next wave of employees who come to that business with 500 people, but in terms of that business right now that has the 500 people, are there steps that we can take through PCC, Marylhurst, and Portland State and presumably the State of Oregon—we are going to have officials from the State as well—to try to move quickly at that business with the 500 people right now to get them up to the point where they can be competitive?

Dr. WILGENBUSCH. I don't know that there is an easy answer. I've wrestled with that since I've spoken to that company. I don't think there is an easy answer, as I say. You take the question of illiteracy, you take the question of drug abuse, you take the question of not having critical skills, that was a 20-year developing problem.

The one gentleman who sat in this chair before me said that. I mean, this was something that was 25 years in the making. It is going to take us 25 years to dig ourselves out of this.

We could throw Dan's college at this company, and I don't think it would save them, because you have to go and you have to get all the workers who aren't even in that company and try to get them up to speed, and that is an attitudinal thing and is something that is not a get rich quick kind of a thing.

You have to start some time.

Chairman WYDEN. I share your view that this is a long-term kind of thing, but we ought to be in a position as well in this State to respond quickly. I know other States are going to.

I think one of my colleagues in Congress was saying that his State is now going to tell a company—I mean, this is going to be one of their recruitment tools, in the old days, the idea was that, you just throw a bunch of tax breaks and sort of boondoggles at some company, and then you drag your tongue long enough and maybe they will come.

What other States are trying to do is to say that the people will get the trained and educated workers. It seemed to me, and I am going to follow this up afterwards, and I would like to talk to you a little bit more about it. Dr. Moriarty and Dr. Frank, we ought to be able to have some kind of response in the State of Oregon if we know that we've got a company of 500 workers there which is presumably dying to stay in Oregon, they like our quality of life, and we've got to figure out a way to move quickly and get them the skills and the training they need for their people, while we look for the longer range changes which I support, all of which you have said, the Need Grant and things like that.

Dr. FRANK. If I could just add to that, I think that this is as much a political process as a process of education. I don't think this country's educational institutions, whether they are grade school, high school, or post-secondary, and the citizens of this country have really come to terms with what we're talking about here today.

The changing demography, the statistic example that one in four people entering the work force within 25 years will be the white male, and what we are talking about are all the other people entering the work force.

This country has simply not yet grasped the implications and the consequences, and until it does, I don't think we are going to respond to the kinds of issues that we are discussing here today.

So, I see it as much as a process of educating the public to their own self-interest, if nothing else, as much as the needs of all the other people who we are talking about here today.

I am sure I don't have to remind you, and you know this, but for the record, the kinds of discussions that are occurring in the State right now, the Portland Educational Network which draws together a number of the institutions in the Portland metropolitan area to try and address this, Vera Katz' efforts, the human resources efforts, the work force efforts.

What we haven't done successfully is coordinate all those different kinds of efforts, because I think each one of them, in a different way, is trying to respond to the question that you are asking. How do we meet the needs of this one company of 500.

So, it is educational as much as money. They are both, in my estimation, necessary.

Dr. MORIARTY. If I may.

Chairman WYDEN. Sure, sure.

Dr. MORIARTY. I would like, if I may, just to respond to that question. There are programs in the State, and a lot of them you will hear about from Bob Baugh from the economic development de-

partment, that there are workplace literacy programs. Several of the community colleges—Ft. Hood, Clackamas—work together on that, and we work with different businesses and so forth, and we actually do work right on the workplace site.

Now, the funding for that, as I understand it, comes largely from the State. There are other kinds of funds that are available through, again, the State of Oregon—the Economic Development Department for targeted training—and we have done a lot of that in the metropolitan area and basically it means that a company that comes into the area wants to do X, Y, or Z, like fabricating submarine cable for communications purposes—they will come into the area. They will work with the economic development department; they will say they will need this kind of employee, and our economic development department works to say we can provide that training to you, largely through the community colleges.

Job Net, for instance, coming out of the Portland Development Commission and the economic development department of the State always has a hand in that kind of thing, but the funding, as I see it, is largely coming from the State.

As an example, the ESL Program that we have—English As A Second Language—we receive some funding from the Amnesty Program that Congress was involved with. So, for a period of 2 years, maybe 3 or 4 but it seems like 2 years, there was funding available. Lots of folks came into our programs. They were encouraged to come in. The program did work up to a point.

That funding is being withdrawn, I believe, at the end of this fiscal year. The Federal Government, it seems to me, if it is serious about correcting the infrastructure for the economic problems that we have, would be indeed partners as the other speakers have said with the State and the local communities in targeted ways, addressing [a] illiteracy; addressing [b] the workplace and addressing generally the training of the work force in a collaborative way.

But it can be very specific. It can be targeted and it can be accountable. I don't think, by the way, this State should be encouraging companies to come in or should want to retain those companies. I think they should go. We don't want companies, I think—it's easy for me to say, right?—we don't want companies in this State, I think, that dummy up their workplace. We want companies that are going to be high performance, productive-oriented companies that are going to demand skilled workers who are going to deliver, and will be paid a living wage.

If you bring people into a workplace environment that has been dummied up, it's MacDonald's all over again. We don't want those people, so, I would say let them go. Let's get someone in here who is going to have a high performance workplace.

Chairman WYDEN. Well, you make a very good point, and I think that what Dr. Wilgenbusch's point was, was to really take us off into this debate, and here was a concrete case and here were specific examples of the company, and I do think that there has to be some showing of good corporate citizenship in terms of being willing to make sure that people will get the health care benefits, that the company is really willing to look down the road and is not sort of looking for the education equivalent of some kind of quick fix and pork barrel kind of thing which in a year and a half will go.

But I do think that for businesses that are willing to meet our community halfway and to show, with health care benefits and a long-term plan, I think we've got to look at ways of reaching those people. I know our competitors are doing it, and they are not just competitors in other parts of the United States, but competitors internationally.

You make some very good points because the idea is not to have somebody, in effect, cry wolf and say that they haven't been able to pay for training and then all of a sudden, they rush to do it all, and then 6 months later, after they finish that task, they walk away.

So, it is a thoughtful point.

Dan, did you want to add to that?

Mr. SALTZMAN. If I could just add sort of an outsider's perspective, not being a professional educator, I think one of the problems Oregon still faces, and particularly the Portland area, is that we have too much interest in protecting turf, each one of our institutions, and we had a Governor's commission on higher education in the Portland area that was designed to come up with some bold solutions to the problems, and here we are 1 or 2 years after that report, and I don't see any of those bold solutions actually occurring. They seem to have all generated into the typical turf wars.

I guess a classic example, if you look in yesterday's paper, you will see a quarter page from the University of Oregon offering computer courses in the Portland area. Every one of those computer courses is offered by Portland Community College at probably considerably less expense.

You have to ask yourself now why is the University of Oregon trying to do that in the Portland area. The same issue applies to engineering. We have PSU and OSU all trying to figure out who's going to be doing what.

So, we really, as a State, need to get our act in order too, and that's something the Federal Government can't do for us.

Chairman WYDEN. Well, I want to tell all of you and the students as well, to me, that ought to be one of the priorities of the Higher Education Act, to try to define responsibly the roles of different kinds of programs, different kinds of sectors because if we are going to have what Dr. Moriarty talked about is the situation, at least for a bit longer, the lack of resources and the lack of resources that has been going down since 1980, we certainly can't afford to fritter away still more dollars on turf and those kinds of battles.

So, that is going to be one of my kind of litmus tests for the reauthorization of the Higher Education Act, a better job of trying to coordinate scarce resources, and suffice it to say the Congress of the United States can't solve all turf battles within the Oregon Higher Education System, but the sooner we do it, the more likely we are going to get more value for the limited Federal dollar we have.

Dr. Frank, I had one question for you with respect to the grant concept for Portland State which I really find very attractive and something that I think would be a natural for the metropolitan area.

What is the status of your efforts at this point with respect to urban grant funding, and how could I be of assistance to the university in that regard?

Dr. FRANK. There is under discussion the reinstitution of the Urban Grant Act, and we would very much appreciate whatever help you could give us there by way of seeing that that act is again reinstituted.

Portland State has worked with other urban institutions around the country and writing proposals to sort of flesh out what is the now defunct Urban Grant Act.

Chairman WYDEN. How long has it been since the act has been defunct?

Dr. FRANK. It seems to me about 8 or 9 years.

Chairman WYDEN. Under the statute, as it was written 8 or 9 years ago, it would provide a significant amount of help in terms of the kinds of issues we're talking about.

Dr. FRANK. Yes.

Chairman WYDEN. Wasn't there—in fact, under the old Urban Grant Program, wasn't there something for part-time students?

Dr. FRANK. I don't remember that specifically. I mean, it seems to me there was.

Chairman WYDEN. Let us check that. Maybe that would be a way to again get a leg up in terms of making a case on the grant program. I'm very interested in it, and the President has talked to me about it as well, and Senator Hatfield has been interested in it, and others, so let us pursue that, and if you could, find out whether the old urban grant program had some part-time students.

It would seem to me that we could use that as an additional argument to strengthen our case.

One last question for you, Dr. Wilgenbusch, with respect to Marylhurst, what have you all tried to do to reach out to part-time students?

Dr. WILGENBUSCH. The bulk of our students are part-time.

Chairman WYDEN. I know that.

Dr. WILGENBUSCH. We have created an entire climate that deals with part-time students. The bulk of our students, 70 percent, would be on some type of financial aid, and 80 percent of those would work full- or part-time.

So, it really is not the tail on our dog. We do everything from offering courses in the day, evening, as well as the weekend. We offer one-on-one counseling which is really critical, especially for the student who has never gone to college and they find themselves in their 30's in a totally new and scary situation.

For those students, as Dan was pointing out, who have to transfer, and the Big T is a scary thing, and so, we do a lot of one-on-one counseling, and we have adult educating experts who are familiar with the assessment of prior learning so that a person's work experience can be factored into what their educational goal is, and requirements need to be.

So, we do—I mean I can name you 20 things right now.

Chairman WYDEN. I meant in terms of financial assistance, and I didn't ask it as precisely as I should. In terms of trying to reach the part-timers with financial aid, what's Marylhurst doing at this point?

Dr. WILGENBUSCH. We work very, very hard at finding private sources of scholarships. The bulk of the scholarships that we give——

Chairman WYDEN. Private sources, be they companies, foundations.

Dr. WILGENBUSCH. Companies, foundations, individual people, and we raise money; we have endowed scholarships across the board for that kind of thing.

We are very strong with our State legislature about the Oregon E Grant because again, no part-timers under the Oregon E Grant get funded and we know the statistics, so it is really foolish. It is simply foolish.

Chairman WYDEN. Mr. Taylor on the previous panel made what struck me as a logical suggestion, of trying to use work study students as recruiters to try to help bring some sensitivity to this issue and reach minority students and women. Is that something that could be done without any great obstacles? Is it being done already?

Dr. MORIARTY. We have a peer advising program that works with students who are accessing the college for the first time when we need help, so we have about, over 20 students. They have to be funded out of our general fund and not through financial aid, but I have worked in other institutions. There is nothing to prevent you in the Federal Program from hiring the students who would work and assist in the admissions office. That is a readily available program.

We tend to put even a higher priority on it than that because we think it's critically important, as the gentleman pointed out. These students are frequently in the best position to help other students. It works very well. It provides a source of income for those students. They go through a training program.

So, we have funded, and basically the board of directors has funded, that starting about 3 or 4 years ago, and I think currently we have 20 students in that peer—it is not tutoring; it is a peer advising program.

Chairman WYDEN. Dr. Frank, what's the situation at PSU? Is this something you all could put in your work study kind of program and pick up on Mr. Taylor's suggestion?

Dr. FRANK. Yes; and in fact, I should mention that in my estimation, I think the estimation of most of us at PSU, we have not done a very good job on that. We have not done a good job of getting out in the community and establishing the kinds of contacts.

There is considerable discussion now amongst various students, in fact, and faculty on campus to do just that, work more closely with the community, not only students but parents, community leaders in recruiting.

We keep hearing stories of graduates in the Portland area who are contacted by institutions on the east coast and not contacted by the institutions within the State system, which is deplorable, to say the least.

Chairman WYDEN. Your feeling is that Mr. Taylor's suggestion and others like it are on target and something you would like to pursue.

Dr. FRANK. Yes. It's a terrific idea.

Chairman WYDEN. Well, I hope Mr. Taylor's here, because it indicates that the system is trying to listen, and that's the key.

Dr. FRANK. If I could just quickly add something about the turf battles.

Chairman WYDEN. Yes.

Dr. FRANK. I am not going to spend a lot of time defending the State system, and I have been in it since 1969, and, of course, I am aware of the history, but I just might for the record mention that, in fact, there is something called the Oregon Joint Graduate Schools of Engineering. There is the Portland Educational Network.

A number of these proposals, in fact, are in the Governor's action plan and at the moment are being considered for funding.

Oregon State, the University of Oregon, and Portland State are working together on two or three joint programs that can be offered on those campuses within the Portland area.

Having said that, I realize we have a long way to go, but at least we are trying to respond, and I think it passed what has rightly been seen in the past.

Chairman WYDEN. Well, I think that's a fair comment, and I know that you don't take 20 years of elbowing and the like, and almost always among well-meaning people who want to do the right thing. It's just that they happen to think that theirs is the right way to do it.

I think what Mr. Saltzman's point is, again, as I did with Dr. Wilgenbusch and you hear about businesses of 500 people, and I am going to follow that up with you because I want to really know what's going to happen to that business, and I want to answer Dr. Moriarty's question of whether or not they are willing to make a commitment for the long term and offer their people health benefits, and a long-term track.

When you see these kinds of things that are happening in the real world, whether it is the 500 employees who may be going offshore because of what a CEO told Dr. Wilgenbusch, or what Mr. Saltzman read in the Oregonian, that it just kind of hits you in the forehead and you say Holy Toledo, why are we having the U. of O. trying to pack people down the highway to my alma mater where I went to law school, rather than training them right here. These things don't make sense.

So, we just have got to pound away at it, and I think your point about what's going on with the legislature and the joint projects as it relates to engineering is certainly a sign that we're getting the message.

All of you have been excellent, and we will have a lot of work to do in the days ahead, and I thank you for your cooperation.

[Applause.]

Chairman WYDEN. We will call the next panel to testify. We will place your prepared statements into the record in their entirety, and if each of you could take 5 minutes or so to summarize your principal views, it would be helpful.

You've got the added benefit to have listened to some of the very helpful testimony.

[Witnesses sworn.]

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Chairman WYDEN. Mr. Baugh, we welcome you and take special note of the good work that you've done in terms of workplace innovation and going back many years, so we welcome your testimony.

TESTIMONY OF ROBERT BAUGH, MANAGER, WORKPLACE INNOVATION

Mr. BAUGH. Thank you, Congressman Wyden. I will submit these. I believe I sent your office some additional pieces of information in there, other than the things I had sent on before.

To give you a sense of my perspective in addressing this issue, I have been very much focused in the last several years on this connection between the work force and education and the workplace in particular. My point of reference has been really the National Commission on Skills in the American Work Force, the America's Choice Model—I assume you have maybe heard those terms—and very much based upon a study that we did of European training and education systems, looking at the same issues.

So, as you begin looking at this, I come from a couple of perspectives, one that we have a system of education and training in this country that does not value employment and work as an outcome or goal of education, and I think that leads to long-term problems in being able to connect up our systems of work and our systems of education in a most positive way for everyone involved.

I think what is being suggested here in the State with some groundbreaking legislation, and on the national level, is a new set of partnerships that have to occur at the school level, starting in the primary school, and the grade school, and certainly in the secondary level, and the post-secondary level, and my point of reference on that is much more focused on the last couple of years of high school education and the connection to the community college system in the professional and technical education fields. It raises an awful lot of challenges for us, one for students moving through the system, but in many ways for the people who are currently in the work force today.

I think it raises another issue of new paradigms for the other institutional partners to education, the business and labor community in particular. We invest less in training our work force than industrialized Nation from the private side. We have to find new forms of partnerships that go beyond writing checks, loaning pieces of equipment, and serving on an advisory panel.

By way of experience, I spoke to the technical advisory committee of all the Portland community colleges a couple of weeks ago, and I have been telling the story—it is rather amazing how unconnected even our business community is. I asked about the 90 people who were there how many were from the private sector and three-quarters of the hands in the room went up. Then I said, "OK, who of you represents anyone other than yourselves? Meaning that when you leave here from this advisory committee, it connects back to your industry and that you communicate with them and they understand this connection between the educational system and training?" Out of all those three-quarters of 90 hands that went up, 8 went up in the room.

I said, "Look around. This is part of our problem of how we collaborate with one another as competitors. We do not. We are not connected and that raises, I think, a fundamental organizing issue."

I have listened this morning, and I have really just written up a list of ideas based upon some of the things we have learned. I would like to just throw them out to you of how we connect things and some changes that will need to take place.

The State has done a number of things in the formation of a work force council. It recently passed legislation to try and combine our training and education systems within the State. There is quite a dynamic tension, I would say, between Federal systems and State systems, and we are really looking at trying to have a State strategy that is driven by State priorities, but also connected up with Federal system as a main system of support and funding for programs like JTPA, and the Perkins Act, and others. It does not work so well.

There are individual priorities within Federal legislation in a number of areas that you find them in conflict and contrast to each other. Therefore, if you want to talk about combining advisory committees and putting them together, you are prohibited by legislation to do that. It is an issue we have raised, and we will be seeking additional waivers from the Federal Government to be able to bring the advisory committee on vocational education or the apprenticeship models closer to a State job work force council.

Chairman WYDEN. You would like to combine the advisory committees, the State, and the Federal one, and you are barred from doing that?

Mr. BAUGH. There are barriers, because each of the federally funded programs have specific rules and regulations about their advisory committees. So, you either have to get waivers or, in fact, you cannot do it. We are trying to explore it, as a number of other States are. The Federal Government considered legislation a couple of years ago, in fact, to bring closer coordination among programs and federally funded programs. That stuff was written out of the law at the time and in the most recent run of the JTPA Act, but it raises that question of how you coordinate Federal resources—like they are always asking us, "How do you coordinate yours?" So, we are trying to do it from the perspective of the State strategy that coordinates both.

The second thing is sensitivity to those strategies. I think there are ways the Federal Government could incent Federal partners at the State level to come closer together with efforts. The one that was mentioned here was the Northeast Skill Center that has been put together. It has been difficult to line up the other additional resources, the JTPA system to connect with it, to get in drug and alcohol counseling programs. The idea is to try and have a one-stop shopping center to service that. I think it would help if the Government could also say to the Federal partners, "We want that kind of activity, collaboration, coordination to take place on the local level."

The second major area is connecting education systems. You asked a very important question about transferability. The fact is in this country we really do not recognize the use of applied aca-

demics and technical education to transferability between programs of higher education. What is connected in this State are academic programs, but I think we have a way to go to recognize the applicability of applied academics. The success of that as a teaching methodology, we are not finding schools that are starting to use that as opposed to the traditional form of academic education. The need to upgrade the technical instructors, and the systems that train those teachers to enter into the system, especially if we are talking about educational reform taking place in this country.

The ability to get outside expertise into the classrooms, and that raises other issues of teacher standards and practices. A number of these are State issues. They are not just Federal, but I think they are implicit around the country, and that is a problem that will have to be addressed.

An open system to change—there is a health care project currently going in Seattle where, in fact, they are upgrading the local level—the service workers who want to go on, and can do apprenticeship, can acquire their RN. PCC, I understand, is in the last year to open up their RN Program to something other than a full-time student. Very, very important for people looking for career options and changes and people who make up the work force for the Year 2000, which by the way will be an average age of 36, which is the oldest in the history of the country. Very important for that.

Connecting business and labor is my third point of things that can be done. One issue is made of tax incentives for training and education and looking at that whole picture and how that connects.

The second is a different vision for Government, frankly. I think we have to start asking ourselves at the State and Federal level when you start talking about partnerships, it tends to be having private persons sitting in public advisory bodies to tell the public what to do. What we have asked with our work force counsel is the private members who are going to serve on that have got to ask the second question: What is the private side strategy that helps drive this? How do we move the institutional partners, and how they have to think about it. It is a real paradigm, jump, or shift for Government to think like that, to be asking that kind of question.

We just have to ask two sets of questions from now on: What is the public role? What is the private role? Everybody is going to have to be responsible for it.

The third thing we are doing in this area is looking at the issue of capacity building. Frankly, the business and labor partners in this country do not have the internal capacity. Of 3,800 trade associations in the United States, 200 have nothing to do or say about training and education of the work force. You know them from your efforts in Congress, and I know them from our State capital as essentially lobbying organizations. We have got to address that issue, and the State is willing to try to act in some respect as an inventor toward capacity building of them, to go up and organize and promote around these issues and to be able to examine them to build their own internal capacity to work with it.

The other thing you can do in connecting business and labor, it is time to review the Federal UI system. Our system is designed for short-term unemployment, 26 weeks. Our competitors throughout

the world, in fact, if you are displaced and enter into a career change, educational thing, their system will provide you with a far higher benefit in relation to your original salary than our system and will do it over a much longer period of time. We do not do that. We assume people will have to get a job and fall out of the system. That is one thing you can do.

A second thing you could do in reviewing the UI system is look at what some States have attempted, like California, where business and labor literally are taxing themselves, but you have to jump through a lot of hoops to do it in dealing with the issue of the UI trust fund. There are problems there.

The fourth area I would say would be connecting people. America's Choice has offered sort of an intriguing tax proposal which calls for 1 percent payroll tax over time of people who have engaged in the training and education system so the Federal Government puts the money up front and makes it available. It is paid off over time through an employer payroll tax against the employees and an employer. That is, if you want to talk about serious funding, you can talk about what the Federal Government is putting in now, but that would be a much more serious proposal of availability of funds for all people.

Another, as I mentioned, was a review of the system, the issue of part-time/full-time funding, we have already hit on that. Finally, the ability to connect people through workplace based training programs, worker to worker. I have mentioned apprenticeship. Or I mentioned structured work experiences as a component of education. There is much more we can do in this. Our competitors do an awful lot of it, that we have not done. As a component we do not discuss, but it is connected to the education training system. I come back to my original point that we need to find a way in which education is not higher education or secondary education, but is a system that is interrelated that trains people to live in the world of work and values employment as an outcome, and values the workplace as a way to learn, and a way for people to leave work and learn.

The only other piece I would add—I just realized I skipped it—was programs that employers may often offer as part of an agreement, tuition reimbursement programs, but most often those only apply to managers, the most technically elite. We have got to change and broaden that attitude. Thank you.

Chairman WYDEN. You have a very good point on that last one. For those tuition reimbursement programs, those also get tax incentives, do they not?

Mr. BAUGH. I am not sure of the incentives they get. We are just beginning to—we are going to do in the next year, I hope, a review of this entire connection in the State by surveying a lot of firms and getting a true picture of how that works. There are some tax incentives to that. I know the discussion of incentives comes up every time around the connection between workplace and training. It seems, and I have read the Office of Technology assessment report recently, and they said there are pieces of it there, but it is not a whole cloth.

Chairman WYDEN. Well, it is a very good point. I may have some questions for you all in a minute, but maybe the way for the Feder-

al Government to go is to say, "Yes, let us have incentives, but let us make sure they do not just apply to the corporate board room, but they also apply for those who are pulling themselves up as Ms. Nowlen-Hodges has been, and others so that this is something that has a good dose of equality and fairness to it as well.

It is a very good presentation. We will have some questions in a moment.

Mr. Shuck, welcome.

STATEMENT OF GLENN SHUCK, LABOR LIAISON, DISLOCATED WORKERS PROJECT, PORTLAND, OR

Mr. SHUCK. Yes. It is a pleasure to be here to testify. It is nice to also almost be last, too, because a lot of things have been heard here. But anyway, what I would like to address in my comments kind of specifically heads toward the dislocated workers and displaced homemakers and so forth.

The changing work environment around the country continues to change. We keep having closures. In the last 3 weeks of the Dislocated Workers Projects, we have had three or four major layoffs or closures. So, I think the system needs to be able to address the needs of the dislocated worker in a very large scale because, if we do not, what these people are doing is they are brinking on being another cycle of welfare recipients if we do not do something with them and keep them in the mainstream of work.

Our people come from a variety of jobs, different industries. Most of them who come to us, we heard the average is anywhere from 25 to 30 for the average nontraditional student. Our particular student averages about 45, with 10 to 15 or more years in a specific job or industry. So, we are dealing with somewhat a unique situation that I do not think the colleges really address on a large scale.

Some of the things that I have thought about which would be helpful to access people to the training institutions, I have jotted down and made some comments here, which you have on file, but I would like to go down through those and just let you know what I mean by those.

I think that we need to be, or the colleges need to be, talking to employers, unions, workers, and social agencies about people who are, in fact, still working. Because with the changing industries out there, people do not know when they are going to need this education so if you can start that process, as one of the people sitting at this table now has something going on in their industry, be prepared for that. Maybe they could go out to the companies or specific places, union halls, or other places and put on 1-day mini-seminars to expose people to what is available for them within the community.

In other words, what I am trying to say, and I think we are doing that right here, is take the message to the people. Do not expect them to pick that up out of a college schedule or off of a bulletin board and to absorb that and to find out what, in fact, is available for them. Take the message to the folks. I think we need to get out and be more flexible.

You need to inform people about grants and loans. Most people just do not know about it. They think that prevails mostly for the

young student who just got out of high school or whatever. People do not know that. We have people who come to us who do not know anything about getting a grant or a loan, or if it is even appropriate for them to think about doing that, so there has to be an education process for that, I feel.

Flexible delivery of services. I think the colleges need to have more satellite programs. They have to go out into the community and do something similar to Maywood Park, for instance, that Mount Hood Community College is kind of an example. Use more community buildings, more high school facilities, and things like that to do courses where people do not have to go to the campus to complete their education or to enhance their skills.

Flexible classes in training. What we have found, we had been in business maybe a year or 2 and we have a training coordinator within our project who is very innovative. We found that dislocated workers come to us and they are operating on a timeframe. They are operating within their unemployment, they are operating within what is parked in their driveway, their boats, their cars, the bills go on. They do not have a long time to think about taking some classes and enhancing their skills. So, just for an example, we have taken particular one-term classes, condensed them into 3 or 4 weeks with the same content, more lab work, and the people come through that in an environment of working with people their own age and in their own same circumstance. Maybe this is a model we need to look at to effectively reach the dislocated worker. To create classes that are tangible and specific to the needs of the employers. You heard Delsey talk about what we have people do and to talk to employers, "Is this something that you are really using? Is this current? Is this with today's time?"

I think along with that we need to educate the college in take staff, that everybody who comes there is not necessarily a student going on to a degree or whatever, or maybe they only need one or two classes to bolster their degree to keep themselves employed within a marketable and living wage.

I will give you an example. I sent a person out to enroll in a particular class. He talked to a counselor. He came back and here he was, overwhelmed. They had enrolled him in three or four classes. "This is what happened. That is what they told me I needed to do."

So, I think we need to educate the staff and the intake of people. I think they need to be familiar with the clients who they are going to be serving, what their real needs are, that people are going to be doing the classes. I think it might be helpful to take them into some workplaces, find out what do they do with these skills and things. What does it look like in the workplace where they are using these skills or where they come from? How are they using these skills? I think it is helpful to find out why you are teaching these skills, what they are going to do with them, and what the atmosphere is to where they are going to be working. I think those are important issues.

Of course, we have heard here that child care really needs to be looked at. I think the financial situation has to be looked at. You cannot take people and give them a good education or a vocational skill upgrade without having some money to live on. What we found, is once the unemployment runs out, once again, if they are

dislocated workers, they then become a victim again. They become a victim of no income, not able to finish their classes and once again they feel like they may have failed.

Most dislocated workers feel that they have failed their employer. They think that they are there because of something they may have done. They are dealing with that as they come to us.

Basically, those are my comments.

[Mr. Shuck's statement may be found in the appendix.]

Chairman WYDEN. Thank you. In the interest of time, we probably ought to move on, but I want to really commend you and your associates at the AFL-CIO. People, I think, are always inclined to give labor a hard time and say labor has not been thinking ahead. Well, I think you gave some darned good testimony that showed that you are thinking down the road, and I especially like that point about preparedness and not waiting, in effect, until you get into a situation where people's skills are obsolete and they are going to be dislocated workers. So, please convey to your associates at AFL-CIO that I think you all are really looking far range and it is much needed.

Ms. Parsons.

STATEMENT OF EVA PARSONS, DIRECTOR OF PEOPLE DEVELOPMENT, CELLULAR ONE, PORTLAND, OR

Ms. PARSONS. For the record, I am Eva Parsons, director of people development with Cellular One here in Portland.

Thank you for inviting me to present my views on the work force preparedness and education. My presentation today will include several points of view based on my present position with Cellular One, my former position with the Business Youth Exchange, and my ongoing community involvement with these issues.

I have been with Cellular One for just over 2 months now. It is an exciting, innovative, fast-paced company representing an industry that is equally exciting, innovative, and fast-paced. The company and the industry are both on the leading edge, and I will talk about that in a moment.

First, let me tell you a little bit about my previous position. For 2 years, I was the executive director of the Business Youth Exchange here in Portland. For those of you who do not know, the Business Youth Exchange is a small nonprofit organization affiliated with the Portland Metropolitan Chamber of Commerce which was formed to link business with education for the purpose of reducing the school drop-out rate and helping prepare at-risk youth for the work force of the 21st Century.

My primary objective at the Business Youth Exchange was to find substantive ways for business to get involved with education. I want to emphasize the word, "substantive." I came on board in 1989, at a time when many of us had heard about the Adopting a School Model of Business Involvement which often consisted of business people making well intentioned, but sometimes short-term attempts at helping a school or a particular classroom in exchange for hanging children's art work in the hallways of its company. As well meaning as these partnerships were, they often did not produce measurable outcomes in terms of student performance. Ba-

sically, the problems were escalating. Students were either dropping out of school or those who graduated by the skin of their teeth and were not going on to college were essentially unprepared for the work force.

The numbers are staggering. According to recent estimates, approximately 50 percent of youngsters entering the 9th grade do not go to college. Of the 50 percent who do go to college, approximately 25 percent either drop out or flunk out within the first year. This leaves us with approximately 70 percent of our youngsters who do not get a college degree and who are often aimless and unprepared for the work force. It is this group of young people who need attention. It is this group of people who need an educational system that works that will produce results that will enable them to find meaningful employment and reasonable wages.

Why does our present educational system not meet the needs of these students? That would be a whole other presentation, but I think it is important to understand the underlying value in this country that all kids should go to college, that white collar jobs are better than blue collar jobs, that somehow "vocational" education is not as highly respected or highly valued as college prep. It is easier to push college prep and the American Dream than it is to change our orientation toward technical or vocational education. But now in 1991, we are finally realizing that in order to compete in the global economy we have to look at how this very 70 percent of our young population is being prepared for the work force of the 21st Century.

This is the context that I began to address substantive business involvement with education. Late last year we became aware of the America's Choice High Skills or Low Wages Report. By then, the Business Youth Exchange had developed a partnership with the Portland Public Schools' STAR Program, an acronym for Success for Students at Risk.

Together, we developed business advisory groups to assist individual schools, and entire school clusters with school improvement plans which were aimed at improving student performance. We now have a number of innovative efforts underway, notably two: The Roosevelt Renaissance 2000 Project which is based largely on the America's Choice model and the Grant Educational Alliance which seeks to promote interest in math and science at the elementary school level.

Both projects involve business and industry, along with teachers, school administrators, parents, students, and community members. These and other projects are aimed at improving education by making it more relevant to today's work force, by capturing student interest, by providing a first-hand tangible realistic opportunity for students to recognize the meaning of education.

Business can do this in a number of ways, and I will enumerate a few: Preapprenticeship programs which enable students to learn at school and at the work site. The school-to-work transition concept is similar, allowing students to get on-the-job training along with classroom learning.

One of our programs here in Portland uses after-school jobs as leverage to keep kids in school and it works wonders. Between 94 and 98 percent of these youngsters graduate with marketable

skills. Other programs pair business people with students as mentors. Some businesses have developed comprehensive employee volunteer programs which encourage employees to tutor in the schools. Employees get paid release time to do so and everyone benefits.

We have business people involved in preparing curriculum, redesigning graduation standards to fit the needs of the marketplace. Business is becoming involved in more meaningful and substantive ways, and what we are really talking about here is an investment, a commitment, for the long haul. Not a quick fix, but an investment, in the educational process which will produce results.

The topic for today's hearing is how to involve displaced homemakers, minorities, older women, and dislocated workers in postsecondary education. I have not addressed this issue directly except to say that education needs to become more relevant at the lower levels in order for the groups we are talking about to become interested in and prepared for higher education as well as the work force.

I think we need to remember that the two are not mutually exclusive. They go hand-in-hand. After all, even those who pursue higher education will join the work force and conversely, those who have meaningful work often go back to school to continue their education. We need to promote the concept of life-long learning rather than the either/or model or go to college right after high school or you will never go concept.

I believe that once learning becomes relevant, students, whether they are minorities, displaced homemakers, or older women, will find a way to access higher education. That is not to say that certain obstacles should not be addressed, like the need for affordable child care, transportation, and financial aid.

Let me get back to Cellular One, now. As a director of people development, I am interested in recruiting, hiring, and retaining great people. This will involve a certain amount of grooming and training and possibly retraining at some point. Cellular One is a growing company, and cellular communication technology is a growing industry, which will need skilled workers: Technicians, engineers, workers capable of learning quickly. We recognize the need to spark an interest in young children, to introduce math and science at an early age in a way that will encourage them to pursue science and technology.

Let me close my presentation by describing what we are preparing to do. This summer, we are hiring a teacher from the Portland Public Schools via the Grant Education Alliance. This teacher will work at Cellular One and, first of all, gain some insight into the nature of our business, which she will be able to convey to her students when she returns to school in the fall.

This will be beneficial all by itself. The work this teacher will do at Cellular One is to help us develop minicurriculum modules which can be taken into the classroom at every level: Elementary, middle, and high school. We will essentially be able to take our cellular phone into the classroom, show youngsters what it is about, let them see and use the phone, explain how it works, and make science come to life. This teacher will help us develop the appropri-

ate ways to teach or demonstrate something relevant in the classroom.

Then we will take this show on the road. We will encourage any employee who wants to volunteer some time in the schools to do so. Those who are interested will be trained on how to present this minicurriculum and off they will go. They will get paid release time to make a difference, and they will play a significant role in educating tomorrow's work force. This will be our initial investment for now.

As far as specific recommendations, I would add to or reinforce some of those that were made earlier, especially as they relate to tax incentives for business, to provide on-the-job training for both current and new employees. Also, tax incentives for businesses to develop preapprenticeship programs, school-to-work transition programs, tax incentives possibly for businesses who provide college scholarships and tuition reimbursement, tax incentives for business to provide flexible hours and job sharing.

In addition, I would reiterate the need for financial aid for part-time students, additional funding for JTPA, especially as it relates to some very successful programs, the summer training and education program for 14- to 16-year-olds and the Partnership Project are two examples here locally.

Chairman WYDEN. Let me, if I might, we have two other panel members. If we could put the rest of your statement in the record. We want to see if we can get 5 minutes for each, and I know we are still running out of time, but we will have some questions in a moment, and we appreciate the things you all are trying to do at your company.

Ms. Cohn.

STATEMENT OF MARY COHN, TEKTRONIX, INC.

Ms. COHN. Thank you. On behalf of Tektronix, I would like to thank you and the committee for the privilege of presenting our views today on the subject of work force preparedness and education.

As a business, face-to-face with today's competitive challenges and demographic realities, our ability to prosper hinges on an educated work force, well prepared for the work of the future. It is important to our business not to lose potential contributors simply because people cannot or do not know how to gain access to education or because the education they received does not adequately prepare them with the skills we need.

As the State's largest private employer, the makeup of Tektronix reflects the broader demographics of the communities. Minorities, older women, displaced homemakers work at Tektronix. Our work force is getting older. The average age of the Tektronix employee is 41.

Our comments here today arise from multiple roles as an organization. On the one hand, we are an American business seriously concerned with quality growth and profitability in a tough competitive environment. We are a worldwide employer with over 8,000 people in the United States, most of them in Oregon, looking for the best prepared and most skilled employees we can find, but we

are also ourselves a provider of a continuing education and a purchaser of educational services in the community. In all of these roles, we are vitally interested in post-secondary education.

Tektronix provides work-related continuing education for its employees, virtually all of it at the post-secondary level. We maintain close working relationships with the State's educational institutions. In the 1989 and 1990 school year, Tek employees had over 7,000 enrollments in classes at local colleges and universities, and we are very encouraged by the increasing willingness of higher educational institutions to work closely with business to meet our needs.

Tektronix also has a unique partnership with Portland Community College which operates an open campus program, onsite, at Tek Beaverton facilities. The onsite program, combined with Tek's tuition reimbursement policies, eases access for Tek students who might not otherwise take advantage of higher education.

The PCC also maintains an innovative Self-Paced Learning Center onsite, which increases access for nontraditional students whose schedule cannot accommodate classes, or who are too embarrassed, or who lack the self-confidence to participate in traditional classes, or who do not have the literacy or math skills to participate. People from outside Tektronix can also enroll in the PCC onsite program and the Self-Paced Learning Center.

We think that the Tek, PCC, partnership is a model for the kinds of partnerships between business, education, and Government that will help remove barriers to access.

We have found, though, that even given tuition reimbursement and the convenience of an onsite program, employees who have the most previous education, those who have learned how to learn are the ones most likely to take advantage of continuing education that is so important for their own success and our vitality. This means that barriers to access begin at a very young age, when children are learning about how to learn, learning the foundation for building skills and forming attitudes about work and what education can and cannot deliver for them. Because of that, we are becoming increasing involved in K through 12 curriculum development and teacher partnership programs.

For those older workers who have missed the foundations, alternative ways of catching up on the basics must be found. We have heard a couple of people talk about the Displaced Workers Project. At Tek, working in partnership with the State of Oregon and Mount Hood Community College using Federal Department of Labor funding, we currently house a Displaced Workers Project onsite which helps recently laid-off workers get the education they need to learn new skills and find new jobs.

Again, we think the Displaced Workers Project is another successful model of the kind of partnerships that are needed. However, during the months it took to set the bureaucratic wheels in motion to launch the Displaced Workers Program, we know that some people got new jobs, but we know that some who needed it most simply fell through the cracks.

Federal Programs that aim to help dislocated workers and others gain access to education are streamline policies, procedures, and red tape. Gaining access to education is the first step in work force

preparedness. It is also important for institutions training nontraditional students to understand the fundamental changes in the kinds and nature of work available to their graduates and to pass this understanding onto their students.

Simply put, in the future, we at Tektronix will not be hiring hands, we will be hiring minds. All jobs will require people who not only have strong technical skills, but who know how to learn, and who have a self-esteem and communications skills to contribute to a team. More and more even entry level jobs will require math skills, computer skills, communication, and literacy skills at a post-secondary level. People entering or reentering the work force must understand what work is like today, what their options are, and what they need to succeed. To that end, we encourage and participate for programs such as those sponsored by the local Business Education Compact Programs which give community college, high school, and university instructors a chance to work in industry, to share what they learn in industry with their students. In turn, we also learn about the challenges faced by students and teachers.

In summary, we would like to encourage you to take the following actions. First, support and encourage business, education, and Government partnerships, showcase and nurture successful programs.

Second, improve access to programs and educational financial assistance by streamlining bureaucracy and simplifying paperwork.

Third, enable people to take advantage of educational opportunities by providing financial and social services. Finally, we support your efforts to improve post-secondary educational access for all Oregonians. We need people who have the skills and the dreams to take responsibility for their own success and who can work with us toward a larger vision of a strong and vital Nation. Thank you.

[Ms. Cohn's statement may be found in the appendix.]

Chairman WYDEN. Thank you, Ms. Cohn.

Mr. Lippay.

STATEMENT OF ANDREW P. LIPPAY, ASSISTANT VICE PRESIDENT OF HUMAN RESOURCES, CASCADE STEEL ROLLING MILLS, INC.

Mr. LIPPAY. Mr. Chairman, thank you for the opportunity to speak at this hearing. For the record, my name is Andrew Lippay, and I am assistant vice president of Human Resources for Cascade Steel, which is a division of Schnitzer Steel Industries.

Let me just hit the highlights of the written material I gave you. Cascade Steel is a minimill, which means we compete in a market niche of the steel industry against larger corporations, and our success depends upon being a low-cost, high-quality producer. Low-cost high-quality is achieved through using the most modern technology.

In this month, we have opened a new $30-million facility with state-of-the-art, computer-integrated technology that will double capacity at lower unit cost.

While the technology is necessary, it is not sufficient in order to survive and, unfortunately, Cascade Steel found that while its work

force is dedicated to hard working, the education and skill required to operate the new facility were missing.

We addressed that problem as follows. A partnership was formed where each partner brought their greatest strengths to the group. It included Chemeketa Community College, Local 8378 of United Steelworkers of America, the employees, and the company.

Of 420 employees, over 90 percent participated on a voluntary basis in an orientation and basic training program. Cascade Steel's obligation was to pay the full cost including wages on after-hours education attended on a voluntary basis for the initial phases.

Chemeketa Community College identified the training needs by holding focus group sessions with employees. In other words, we asked employees what they needed, and tried to meet their needs.

John Clyde of Chemeketa Community College, the project director, had the vision and the foresight to give us what we needed rather than maybe what we wanted. One of these was a role-reversal where the instructors from Chemeketa Community College had to schedule classes to meet the student's work schedule instead of the employee trying to enroll in outside training at a fixed time when our workers rotate shifts throughout the week, and throughout the month.

The union gave full support realizing jobs would change, but increased education and skill was the best way to maintain the jobs for the workers.

The employees accepted individual responsibility for improving their skill and education. After the initial orientation, all training and skill classes were presented on off-hours, unpaid, with voluntary participation.

Our firm belief is that the individual has their own responsibility for improvement and those who go really want to succeed.

The results were that after the 90 percent initial phase, over 50 percent continued to participate. Over 70 employees are now in basic labs leading to a GED. Other training includes metrics, career development, computer training at all levels, electronics, and so forth.

I think what we learned is this. Workers currently employed need effective ways to upgrade their skills in order to avoid becoming a displaced worker. Limited basic skills of entry workers have created problems in advancing to the higher skills. But it is the company's obligation to take the initiative to solve the problem. It is the employee's obligation to step up to the bat and accept the responsibility to improve. Likely, the company is going to have to pay for the education.

A company our size really cannot afford a full-time comprehensive training department. With 420 total employees, overhead is kept to a minimum. Forming a partnership with a local community college was a highly cost-effective way to go. The benefits of the new technology can only be realized through a skilled work force. Those workers are willing, and they are able to upgrade their skills if the opportunity is presented at a time they can go and at a cost they can afford.

I think possible areas for further exploration by this committee which may assist in upgrading the skills of a work group such as ours would be these. First, is to find ways to encourage the indus-

try to spend more money on training while recognizing that in the short run these are costs against the bottom line of those companies and the employees who acquire the skill are mobile and may leave for another employer or, in fact, become self-employed.

Second, is to find ways for employers who are not large enough to carry their own in-house training department to learn about informed partnerships with the local communities colleges in order to develop these onsite training programs.

This concludes my statement.

[Mr. Lippay's statement may be found in the appendix.]

Chairman WYDEN. Well, thank you. All of you have been excellent and I would ask a lot of questions, but we are actually over the time. I think I just want to ask a couple and see if I can get each of you involved.

In terms of our three businesses, all three of you are clearly trying to reach out and be aggressive in this area. If you had one message to the young people who filled the room this morning, and I guess had to go out to some classes, and work, and do the many things that you have to do as a part-time student, what would be your one message from your company to them that you would want to convey about the kind of partnership you would like to have with them or the way you would like to bring them in? Let me start with you, Ms. Parsons.

Ms. PARSONS. One approach might be for them to seek out a business mentor so that they can work with a business person onsite, learn from direct first-hand experience what the workplace looks like, what the opportunities are, and seek out a person who is currently—who can be a role model and mentor for them.

Chairman WYDEN. So, it is a great idea. Would Cellular One be willing to have its employees serve as business mentors for some of the students?

Ms. PARSONS. We already are, very much so.

Chairman WYDEN. Very good. Ms. Cohn.

Ms. COHN. I think our position would be somewhat the same as that. Young people should learn everything they can about what real work is like and seek out mentors, talk to companies and also to not give up. Do not give up on your dreams because we definitely need you.

Chairman WYDEN. Now, has Tek been over on this campus and in Northeast Portland trying to recruit, and trying to bring in some of the kind of young people who have been here this morning?

Ms. COHN. We have a Northeast facility, and I am not aware of any specific recruiting areas in this area. I do not know the answer to the question, but I think the answer is no.

Chairman WYDEN. How many people work at the Northeast facility?

Ms. COHN. It is small. It is under 100.

Chairman WYDEN. Do most of them come from this area?

Ms. COHN. Yes, they do.

Chairman WYDEN. That would be one thing I would really like to work with you all on because I would like to see and cover each of your businesses individually. I would very much like to see Tek with a large presence in Northeast Portland because I think many

of the skills that you all are trying to bring into your employment structure are going to be skills that people are going to be able to use no matter where they have the question of technology and computers and the like.

Ms. COHN. People are going to the Northeast Campus here with Tek reimbursement dollars.

Chairman WYDEN. Excellent. That was what I wanted to pin down.

Mr. Lippay, you offer a number of very interesting ideas. I am going to follow up in particular on the suggestion you make, again, like Mr. Taylor's was 2 or 3 hours ago. It was probably too logical, this idea of scheduling the classes at the convenience of the students rather than the convenience of the educational establishment. It makes an awful lot of sense.

Mr. LIPPAY. Thank you.

Chairman WYDEN. In terms of basic industry and that in a sense your company is probably the one that has testified to a good part of it that has really been focused on basic industry with steel and different kinds of economic emphasis than you would see with high technology or Cellular One. Are you all facing special needs in terms of recruiting people who are different than the services and high technology and other business sectors?

Mr. LIPPAY. I believe to some extent we are. There has been a real lack when many of our manufacturing companies had severe cutbacks over a decade ago and, frankly, did not invest in training, in the areas of millwrights, electricians, the crafts that were really the mainstay I think of American society years ago, there is a need for this skill again. The technology has to be supported by the highest levels of maintenance. I would answer that we are starting to grow our own. This is why you see us coming back to electronics programs to make electricians who are qualified electricians electronics people to deal with on-line machines that are running on-line real time devices, to repair those with a minimum of trouble-shooting.

Chairman WYDEN. I think it is a very thoughtful point and very important because we cannot make it as a country without basic industry. We are certainly going to see enormous growth among the services and high technology, electronics, and we want to encourage; but my concern also is that we not neglect the education and training in basic industry and manufacturing that is going to be necessary. You all are obviously on these very pioneering ideas, and we commend you for it.

One question for you, Mr. Baugh. I think you know one of my special causes has been to use the unemployment insurance program in a more creative kind of way, because, it is one of the truly untapped sources of capital for education, and training, and for innovation. I remember years ago as I have been very involved in this idea of trying to help people use their unemployment insurance as seed capital to start businesses and the like, one worker who was on unemployment came up to me and said that he felt that unemployment was like economic methadone. It just locked him in, and he could not shake free.

Where are we at the State level in terms of trying to look at unemployment insurance in a more creative way? I know this has

been an interest of yours, a very extensive and long-standing interest. What is going on at the State level in terms of trying to do that? I know that there are things that I could help you with in this regard.

Mr. BAUGH. Yes, Mr. Chairman. There are a couple of things. There are some pilots being developed that are coming out of some of the packages from this legislature for dislocated workers which, in fact, are going to encourage pilots in the area of self-employment projects with workers in some of the communities in this State.

Frankly, I will have you know that in spite of people saying it is against the law and you cannot do it, there have been several in Glenn's shop who have been actually involved with them. Dealing with the unemployment insurance system and law is—it is very difficult. It is very big. It is very set in its ways. There needs to be shots of creativity to get some things done. This is one avenue. But I think looking more broadly at what has to happen, I would come back to really reexamining the way we have looked at the system which is the short-term shot of money, subsistence level to get people through one period of employment or unemployment to the next period of employment rather than viewing it as a system that could provide mobility for occupational change for people who are being displaced, who have to seek new careers. It is too limited in its time. The one thing the State is doing is—I hate to speak too soon, but, there is legislation on this about capturing some of our own funds for extensions of unemployment, but there will be extensions of unemployment benefits directly linked to training and education. That is one of the approaches. But working with the Federal system, as you are well aware, is very difficult.

Chairman WYDEN. I very much wish to pursue this with you, and I commend the State for even taking its small piece, an extension and trying to link it to training and education because these are the areas we are going to have to look at. This is where the Cellular Ones, and the Tektronix, and the Cascades, join with their employees, in effect, paying for a very expensive program. Unemployment is an expensive programs on both sides of the ledger for employers and employees, and we have got to be able to bring more value out of those unemployment insurance dollars, as you say, to encourage occupational mobility so that when somebody comes off that program at the end of the designated period, they are in a better position to move on to something else that is tailored for their future.

Mr. BAUGH. I cannot avoid making the comment, the thing that is most frustrating to me, personally, in the JTPA system, is a reaction. It is a delayed reaction and you have people coming out who have had no benefits. I applaud Mr. Lippay for some of the things he is saying in dealing with this approach that looks at the skills of the work force in the workplace. I have talked about the California models and others, but that type of investment that takes place in the workplace today buys you time, saves you money, when, in fact, displacement ever occurs, because they have got the transferable skills to move on. So, you have got to look at both sides of that equation. It is well and good if you can get the extension and JTPA. But frankly, that is a reaction.

Chairman WYDEN. It is a good point. Mr. Shuck has, I think, given a very helpful idea that in his Dislocated Worker Program they are trying to get out there before people get dislocated and anticipate the future as well. Clearly, that is what this has got to be about.

You all are certainly well worth waiting for, and I also want to note that this is perhaps the coldest room that there has ever been a congressional hearing in, and I hope everyone will be able to live to tell about it. You all have been very helpful. We are going to follow up on the good corporate citizenship that was offered by three of our companies and the fine work that Mr. Shuck is doing with the AFL-CIO and Mr. Baugh is doing in workplace innovation. We will back at you shortly and thank you all for your cooperation.

The subcommittee is adjourned.

[Whereupon, at 12:45 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

APPENDIX

PORTLAND COMMUNITY COLLEGE

P.O. Box 19000
Portland, OR 97219-0990
Telephone (503) 244-6111

June 17, 1991

Testimony of Dan Saltzman, Vice Chair
Board of Directors, Portland Community College

U. S. House of Representatives
Committee on Small Business
Subcommittee on Regulation, Business Opportunities, and Energy

Congressman Wyden, on behalf of the board of directors of Portland Community College, I would like to welcome you again to PCC and thank you for this opportunity to discuss some of the issues related to access to post-secondary education for non-traditional students.

One of the primary reasons community colleges exist in oregon is to provide affordable, accessible educational programs for the people in our communities. At Portland Community College, we make special efforts to reach out to the "non-traditional" students and provide many services and programs for members of ethnic minorities, older adults, displaced workers, handicapped individuals and single parents. The diversity of PCC's student body is one characteristic which makes our college attractive to these students. We value the differences in cultures, races and ages and place a high priority on providing services to meet the special needs of all students.

You are familiar with many of these programs, having visited and spoken with members of this community for years and know that pcc has resources and programs for the following populations:

* Displaced homemakers
* Dislocated workers
* Welfare recipients
* Non-english speaking students
* Women and minority programs in non-traditional careers
* Targeted training programs for inner city unemployed
* Single parent resource centers
* Ethnic student success centers
* GED/ABE courses
* Literacy training
* Extensive counseling and job placement services for students
* Child care resources

Even though PCC is the most affordable post-secondary

College Board:
President:
An Affirmative Action/Equal Opportunity Institution

institution in the metropolitan area, many of our students have severe financial limitations which make access to educational programs a problem. We have a significant number of students on welfare and many, many others are single parents. The process of applying and qualifying for financial aid is long and arduous for these students. One of the most important things the federal government could do to help improve the ability of non-traditional students gain the education and training they need is improve the federal financial aid system, and some suggestions for doing so follow.

Students on welfare should automatically qualify for financial aid. The application process should be streamlined and simplified. The funding of financial aid programs is woefully inadequate. More emphasis should be placed on grant programs rather than on loans. Forcing single parents or those barely above the poverty level to borrow money to complete their education is ridiculous. At PCC, we have 15% more applications for financial aid than we had last year, and every indicator is that these numbers will continue to grow. Three-quarters of the pcc students who apply for financial aid are older and no longer live with their parents. One third of these are single parents and two-thirds of them earn less than $7,000 per year. Expecting that these people will be able to plan 6 to 9 months in advance in order to complete their financial aid applications before the money runs out or that they will be able to afford to repay student loans is not realistic, and the federal government needs to recognize that this group of students is growing rapidly.

In addition to improved financial aid programs, non-traditional students also need assistance with child care and arranging other aspects of their lives as family members and workers in such a way to make education possible for them. The federal government should provide child-care subsidies, increase the federal head start appropriation, provide incentives for business and employers to initiate child-care programs, and give businesses tax breaks for promoting education and training for their employees.

Nationally, 50% of all students enrolled in post-secondary programs are in community colleges, and yet the federal higher education act and the U.S. Department of Education focus their policies and programs on the "traditional" students who are no longer in the majority. Federal policies and procedures need to catch up with reality, and acknowledge that community colleges play a vital role in educating and training the workforce of today and tomorrow.

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STATEMENT

TO THE SUBCOMMITTEE ON REGULATION, BUSINESS

OPPORTUNITIES AND ENERGY

June 17, 1991 .

by

Robert Frank, Acting Provost

Portland State University

Mr. Chairman and members of the Subcommittee, I am Robert Frank, Acting Provost of Portland State University. I appreciate this opportunity to testify at the Subcommittee's hearings on how to expand participation of postsecondary education and how the Higher Education Act can enhance education opportunities for all Oregonians.

Portland State University (PSU) is a major urban university with 15,000 students, half of which are parttime. Approximately 25 percent are working on graduate degrees. They are served by a faculty and staff of 1,500. PSU is a major provider of higher education for Oregon and Washington residents. Approximately 850 Washington residents are enrolled at PSU. Of these 279 participate in a reciprocity program that allows Washington residents to pay the same tuition as Oregon students.

Portland State University is among the institutions of higher education serving a high percentage of nontraditional students. If we look at the students who apply for financial aid, only 40 percent fit the traditional model. These students average 19 years of age and go to school full time. They have some financial support from their parents and a high percentage will graduate in four years.

The other 60 percent are quite different. They cannot rely on parental financial support. They are older, with the average age being over 29 years, and many attend less than full time.

Because their circumstances are different, the financial needs of the nontraditional students are different and often greater than the traditional student. Nearly 10 percent of PSU's nontraditional student applicants for financial aid have dependent children that require child care. Within this group, half are single parents. During the 1990-91 academic year $643 thousand in student aid was earmarked for child care.

Contrary to what some expect, students who must work while pursuing their education may need more, not less, assistance. They often have family obligations and other expenses that require more assistance than the traditional student. By extending the time to obtain their degrees beyond the usual four years, these students require financial aid over a longer period of time. As a consequence of their greater need, there is a significant gap between what aid we are able to give them and how much is needed.

While we are able to meet approximately 97 percent of the financial needs of the traditional dependent student, we are able to meet only about two thirds of the financial needs of the

nontraditional student. These students are compelled to make up the difference from non-subsidized loan programs whose repayment and interest terms are not as attractive as the need based programs. This is especially true of the parttime students who may be taking too few courses to qualify for federal financial aid. One of the goals of the Coalition for Adult and Parttime Students is to remove the restrictions on aid to these students.

Reliance on loans is a serious concern for educators. While we presume that an education has economic worth, and most people with a university education will be able to repay their loans, we are awarding our graduates a very large debt burden along with their degrees.

Unfortunately, the situation is not getting better. In 1981-82 almost 35 percent of the financial aid package for a PSU student would be in the form of grants and 46 percent would be in loans. Nine years later the grant portion of the package dropped to 30 percent and the loan portion rose to more than half (53%).

We have tried to offset the rising costs of tuition by tripling the value of our scholarships and tuition waivers. While we offered $400 thousand in scholarships in 1981-82, this year we are offering $1.7 million. Still, it is not enough.

To illustrate the problems of the nontraditional students, let us look at two case studies.

- Bill is a 28 year old sophomore working on his first undergraduate degree in the field of Administration of Justice. In 1988 he was working forty hours a week in the corrections department earning an annual salary of $15,000. Bill entered Portland State during the fall term of the 1989-90 academic year, but did not qualify for financial aid because of his income. Unable to to both work and attend school full time, Bill could only take a few courses each term. After the first year he realized that it would take him eight years to complete his degree at the present rate. He then decided to quit his full time job and accept parttime employment while pursuing his degree full time. When Bill applied for financial aid for the 1990-91 academic year, he was once again denied because his eligibility was based upon his 1989 income, which was $16,500. Due to the fact that he had left full time employment, he was determined eligible for aid under the Special Condition provision within the regulations. In place of his 1989 income, his estimated 1990 income was used in determining his eligibility. Unfortunately, he had six months of earnings as a full time employee and six months of earnings as a parttime employee during that year. Therefore, the only thing he could qualify for were federal loans. He has now

applied for aid for the 1991-92 academic year and will qualify for grants and loans if his estimated 1991 income is used rather than his 1990 income. This kind of transition from full time employee to full time student is often a difficult one and requires the student to assume more debt burden than is typical of the traditional student.

Mary is a single 35 year old mother with three children ages 14, 6, and 4. She is a senior who anticipates completing her first undergraduate degree in December. She works parttime and earns approximately $2,000 per year. She also receives $520 per month in child support from her ex-husband. She is attending PSU on a full time basis during the summer as well as the academic year. Her total cost of attendance is $16,052, which covers tuition and fees, books and supplies, room and board, transportation and $440 per month in child care. From her parttime job and her child support the federal government calculates that she should be able to contribute $171 toward her direct educational expenses.

She has been awarded $12,899 in financial aid for the current academic year leaving her with an unmet need of $2,982 ($16,052 - $171 - $12,899 = $2,982). Her aid consists of $3,964 in federal and state grants, $6,875 in federal loans, a $125 scholarship and $1,935 from an experimental State of Oregon child care program which is not scheduled for renewal.

When Mary graduates in December, she will have a total educational debt in excess of $19,000.

The PSU experience is not unique. A Department of Education study disclosed that the proportion of college graduates with debt burdens increased from one-third to one-half between 1977 and 1986, and the median amount of debt more than doubled from $2,000 to $4,800.

While we in higher education may get frustrated that the Higher Education Act does not provide sufficient funds or that the programs do not always correspond to the needs of our students, we are all grateful for the help that we receive. Federal aid accounts for 70 percent of the total $28 billion in grants, loans and work supplied from federal state and institutional sources. Five out of every six students assisted receive aid from federal programs. Without this aid many could not continue their educations.

We also recognize that the Congress appreciates our needs and has tried to respond. The appropriations for Pell Grants more than doubled between FY 1979 and FY 1991 - from $2.4 billion to more than $5 billion. Unfortunately, this increase has been

insufficient for the maximum award to keep pace with inflation. While it increased from $1,800 to $2,400 between FY 1979 and FY 1991, it declined as a percentage of average college costs from 46 percent to 25 percent.

Pressure to reduce the deficit has meant that that there has been no increase in the maximum Pell Grant award for seven out of twelve years.

It is obvious that despite abundant good intentions in the Congress and the Department of Education, the Higher Education Act does not have the resources to meet the need.

From our perspective, the greatest need lies in increasing the grant funding and reducing dependence on loans, particularly the non-subsidized loans. A $4,000 maximum has been suggested and that amount seems reasonable. However, the goal of increasing reliance on grants and reducing it on loans is substantially undercut when the grant maximum remains unchanged for years at a time. A simplified and liberalized formula for Pell grant eligibility and some type of automatic cost of living increase would be very helpful.

Loans are a reasonable and necessary element of any financial aid package. However, to the extent that loans are necessary, more flexible repayment plans are needed.

One of the major goals of the educational grants was to make it possible for low-income students to attend college. However, we are finding that these at-risk students are not as well prepared for academic study as the higher income students. Only 40 percent of low income students complete a bachelor's degree within six years, compared to 60 percent of the more affluent students. This disappointing statistic illustrates the need for cooperative efforts between higher education and elementary and secondary education. We must do a better job of preparing secondary school students for higher education.

PSU operates two very successful programs to accomplish this objective. One is called MESA (Mathematics, Engineering and Science Achievement). In this program the University works with local schools to encourage science, math and engineering among low income and minority children. The Portland MESA programs works with 400 children in 13 different schools. Thirty of thirty-five graduates of the program have gone on to college or university programs.

The second is the Portland Teacher Program. This program identifies and encourages minority students to pursue careers in teaching. We work with the middle schools and secondary schools in Portland to develop the students' interests. We then provide special encouragement for them in secondary school and financial

aid when they reach college. For those who ultimately become teachers, we help them find jobs in the Portland area.

Federal support for these types of programs would contribute to future success of these students. We also solicit your support for the proposed new authority for State Student Incentive Grants (SSIG) to offer matching funds for states to establish or expand early intervention programs for at-risk students.

Administrative rules governing financial aid should be modified to take into account the needs of the growing number of nontraditional students and institutions of higher education should be given maximum flexibility in transferring funds among campus-based programs. The American Council on Education has urged authorization for campuses to increase from 15 percent to 25 percent of SEOG, CWS and Perkins funds that they may transfer among the progrms. This authorization would allow campuses to compensate for the differences among the needs of students. While the student population of the average campus consists of 60 percent traditional students and 40 percent nontraditional, PSU's student population is almost the exact opposite. Obviously, our financial aid packages will look different from the universities with more traditional student populations. It would help us to have greater flexibility in fashioning the aid packages.

I cannot allow an appearance before this Subcommittee to pass without soliciting your support for Title XI of the Higher Education Act. The urban grant concept contained in Title XI recognizes the growing importance of American cities and their universities. President Judith Ramaley has devoted a great deal of her time to the task of integrating PSU into its urban setting. There is much a university can do to improve the quality of life and the economic growth of an urban area. Like our land grant predecessors who helped build the rural economy and quality of life, we can do the same for the cities. The reauthorization and funding of Title XI would allow us to develop some model programs that would have widespread application.

At PSU, a major university in a bi-state urban area, we want to emphasize the value that we place on cooperative programs not just in the Oregon portion of this metropolitan area, but in the Washington portion as well. We have already alluded to the reciprocity agreement between our states. I hope that it can be renewed. We are already engaged in a number of cooperative programs with WSU and the Washington community colleges. I sit on one of the WSU advisory committees and the Clark County community colleges serve on our PSU/Community College Liaison Committee. Although our resources for new programs has been seriously constrained by the tax reduction measure approved by the Oregon voters last year, President Ramaley has fought hard for some state funding to begin some of these outreach programs. I remain optimistic that our legislature will see the value of

what we might do together. Finally, I urge this Subcommittee to support federal programs and funding to help us expand the cooperative programs among institutions of higher education. The Governor's Commission that looked at higher education in the Portland area concluded that in a time of limited resources, cooperative and collaborative programs offered a cost effective means of improving the quality and reach of higher education.

I do not envy Members of Congress the difficult choices they must make. I realize there are more needs than resources. Nevertheless, I urge you to consider aid to higher education as an investment that will pay economic and social benefits into the next century. We are training the workforce, the entrepreneurs and the professionals of the next generation. If we are to be competitive in the international markets, have a thriving domestic economy and an informed electorate, we have to invest in the development of our human resources.

Thank you for this opportunity to appear before the Subcommittee on Regulation, Business Opportunities and Energy.

Dislocated Workers Project 4510 N.E. 102ND AVENUE • PORTLAND, OREGON • 97220
(503) 252-0758

June 11, 1991

Mr. Ron Wyden, Chairman
U.S. House of Representatives
Committee on Small Business
B-363 Rayburn House Office Building
Washington, D.C. 20515

Mr. Chairman and Members of the Committee:

I want to thank you for having me here. I see it an honor and a privilege to address this committee on what I see to be an important issue for the people and their futures.

I would also commend you all for availing your committee to our community to allow our input and I thank you for that effort and service.

I have been a member of the staff of Dislocated Workers Project since 1985, and have worked to expand participation of dislocated workers, displaced homemakers, minorities, and older women in post-secondary education.

1. Use of employers while people are still working; unions, community-based organization, and social service agencies.

   Colleges could put on one-day or mini-seminars to create interests which would cause people to explore different fields of training.

   Take the message to the people as opposed to catalogs or bulletin boards.

2. Inform people about grants, loans, and how to get them; most people just don't know.

3. Flexible delivery of services. More satellite centers so travel is not a big problem, maybe on different job sites; more classes away from the campus in the community.

4. Flexible classes or training. Condense some of the classes so people can complete them in a shorter period of time. Create classes that are tangible to specific needs of specific employers. Do company and employee audits to ensure classes are current and up to date.

5. Educate the college staff and instructors about the new population they will be serving so that they understand their needs are not met in the same way as the younger student and that the issues are different. Expose instructors to work places. The main thing is making people believe they do something different.

6. Services needed: child care for some people, tools, and being aware of how financial needs may be met.

I hope the above summary of my testimony and the enclosed "Overview" contain the information you needed.

Respectfully,

Glenn Shuck

Glenn Shuck
Labor Liaison

Testimony
by Mary Cohn
on behalf of
Tektronix, Inc.
United States House of Representatives
Subcommittee on Regulation, Business Opportunities, and
Energy Field Hearing
on
Workforce Preparedness and Education
June 17, 1991
Portland, Oregon

Mr. Chairman, members of the committee, on behalf of Tektronix, I would like to thank you for the privilege of testifying today on the topic of workforce preparedness and education.

Tektronix is a high technology firm whose research and products are at the cutting edge of a dynamic industry. An Oregon-based firm, it is a Fortune 500 company with annual sales of $1.4 billion and a catalog of more than 3,000 products. The company employs over 8,000 people in the United States, the majority in Oregon.

As the state's largest private employer, many of our employees come from non-traditional backgrounds. Minorities, displaced homemakers and individuals dislocated from other industries have joined the Tektronix workforce. Our workers are getting older. The average age of a Tektronix employee is 41.

Tektronix's ability to prosper depends upon the ability of these workers to access quality education. As a result, Tektronix is concerned with the educational levels of the workers that join our company as well as providing additional training opportunities for those we employ.

Tektronix encourages on-going education through work related programs, tuition reimbursement, and on-site classes provided by several state institutions. We maintain close working relationships with the State's educational institutions. In the 1989-1990 school year, Tektronix employees had over 7,000 enrollments in classes at local colleges and universities. We are encouraged by the increasing willingness of higher educational institutions to work closely with business to meet our educational needs.

Tektronix has a unique relationship with Portland Community College, PCC, which serves as a model of cooperation between business, education and government. PCC operates an Open Campus program on-site at Tektronix Beaverton facilities. The on-site program, combined with Tek's tuition reimbursement policies, eases access for Tek students who might not otherwise take advantage of higher education.

PCC also maintains an innovative Self-Paced Learning Center which increases access for non-traditional students whose schedule cannot accommodate classes, or who lack sufficient literacy or math skills. People outside Tektronix can enroll in PCC on-site classes and use the Self-Paced Learning Center.

Working in partnership with the State of Oregon and Mount Hood Community College, using federal Department of Labor funding, Tektronix currently houses a Displaced Workers Program which helps recently laid-off workers get the education they need to learn new skills and find new jobs. Through this program, dislocated workers achieve access to education which can redirect their lives into new careers.

During the time taken to establish the Displaced Workers Program, workers who needed it most fell through the cracks due to red tape. Policies, procedures and paperwork must be streamlined and simplified to improve access to higher education.

Tek encourages and participates in programs such as those sponsored by county Business Education Compact programs which give community college and university instructors a chance to work in industry and share what they learn here with their students. In turn, we learn more about the challenges faced by students and teachers.

Helping adult workers to obtain additional education is vital. It is equally vital that the state system provide a good foundation for all students in K-12. Tek is becoming increasingly involved in the K-12 curriculum development and teacher partnership programs. Tektronix supports efforts to provide all students with the ability to write, communicate and apply basic mathematic and computer skills.

In summary, Mr. Chairman, we would encourage you to take these actions:

- Support and encourage business, education and government partnerships, such as the Tektronix - Portland Community College cooperative arrangement.

- Enable people to take advantage of educational opportunities by providing financial and social support services.

- Improve access to programs and educational financial assistance by streamlining bureaucracy and simplifying paperwork.

- Work to improve the state education system, for all children in K-12 as well as the state university systems.

We support your efforts to improve access to postsecondary education access for all Oregonians., We need people who have the skills and ambition to take responsibility for their own success, and who can work with us toward a larger vision of a strong and vital America.

SCHNITZER STEEL INDUSTRIES, INC.

June 17, 1991
Statement by Andrew P. Lippay
before the Subcommittee on Regulation
Business Opportunities & Energy

Good morning Mr. Chairman. Thank you for the opportunity to speak at this hearing. For the record, my name is Andrew P. Lippay and I am Assistant Vice President of Human Resources for Cascade Steel Rolling Mills, Inc., a division of Schnitzer Steel Industries.

A short summary of Cascade Steel will provide a better understanding of the workforce preparedness and education needed by the company.

Cascade Steel is classified as a mini-mill which in general means it competes in a market niche of the steel industry by producing a limited range of finished steel products marketed in a specific geographic area. Success depends upon having the low cost, high quality product.

To achieve this low cost, high quality goal, the most modern technology must be used. Cascade Steel, this month, completed a new thirty million dollar melting facility using computer integrated manufacturing technology that will double the old production capacity at significantly lower cost. While this technology is necessary, it is not sufficient for success. A skilled, highly qualified workforce is essential if the benefits of the new technology and enormous capital investment are to be optimized.

Unfortunately, Cascade Steel realized that while its workforce was dedicated and hard working, the education and skill required to operate the new facility were missing.

This leads me to the focal point of today's hearing. How one company approached the challenge of workforce preparedness and education. Simply stated, a partnership was formed in which all partners contributed their strongest assets and were willing to risk, experiment and be flexible in action. The partners were: Chemeketa Community College; Local 8378 of United Steelworkers of America; the employees; and the company.

Of 420 employees, over 90%, participated on a voluntary basis in an orientation and basic training program.

1. Cascade Steel paid the full cost of the program, including a limited amount of paid time for employee voluntary attendance at after work hours sessions to introduce and explain the program.

2. Chemeketa Community College identified training needs by holding group meetings with employees, developed the courses, and very importantly conducted the training on the company site at any time of day or day of the week which best fit employee work schedules.

This role reversal where the instructor had to schedule classes to match the student work schedule, instead of the employee trying to enroll in off site training which met at a fixed time became crucial to enabling employees to attend and complete the classes.

3. The union gave full support, co-chaired the education committee, and worked closely with Chemeketa Community College instructors to design the training.

4. The employees accepted individual responsibility for improving their skills and education. We believe individual commitment and motivation is essential.

The company stressed that all participation was voluntary, even the two introductory sessions, in which the employees were paid their hourly wage for attending. It was felt that paid time to learn about the program was necessary to show the level of commitment by Cascade Steel and attract as many employees as possible. After that, all training was on the employee's own time on a voluntary basis.

A summary of results include:

1. Approximately 90% of all employees attended the paid time introductory sessions to learn about the program.

2. Over 50% continued to participate in the ongoing education on a voluntary basis on their own time.

3. Classes with fifty (50) or more participants in an ongoing education include:

   - Metrics. Note the new facility is all metric.

   - Career Development. An assessment center offering individual testing and counseling about basic aptitude levels and career pathing.

4. Computer training: Introduction to computers, IBM DOS, Lotus, and advanced WordPerfect.

5. Computer Integrated Manufacturing (CIM). Approximately 150 employees attended these specially designed classes to introduce employees to manufacturing processes in which the employee controls the production system through direct computer interaction, mainly through computer touch screen operation of equipment.

6. General Equivalency Degree (GED). Over 70 employees have participated in a basic lab which offers self paced learning two days per week with one on one instructor assistance available. Many are working toward a GED.

7. Electronics. A specialty series designed for electricians to upgrade skills by adding full electronic competency to their current electrical knowledge.

8. Self Esteem. There is some feeling, but not quantifiable evidence, that this opportunity for skill and education has raised the self esteem of those participants. A number of employees have asked if spouses not employed by the company can attend the classes.

   These requests have been granted on a space available basis. Employees receiving a GED have notified the company of this achievement.

In determining what we have learned which may be of benefit to the work of this subcommittee is the following:

- Workers currently employed need effective ways to upgrade their skills as an important step in avoiding becoming a displaced worker.

- Limited basic skills have created problems in advancing workers to high skills positions, especially new employees hired to fill low skill entry level jobs. The company will need to take the initiative to solve the problem.

- For a company our size which cannot afford a full time comprehensive training department, forming a partnership with the local community college was highly cost effective.

- The benefit of new technology can only be realized through a skilled workforce, and those workers are willing and able to upgrade their skills if the opportunity is available at a time and location accessible to them. This is why the flexibility of the community college in providing instructors any day of the week at any time was so important.

Areas for further exploration by this committee which may facilitate the upgrading of skills and education could include:

1. Finding ways to encourage the industry to spend more money on training while recognizing that in the short run these costs are an immediate expense against the bottom line, and the employee who acquires the skill may leave for another employer or become self employed.

2. Finding ways for employers who are not large enough to carry their own in-house training department to learn about and form partnerships with local community colleges to develop on site training programs.

This concludes my statement, again thank you for the opportunity to address the committee.

Steel mill partnership offers career development and training program

McMINNVILLE, Ore.—A career development and education program has unfolded at Cascade Steel Rolling Mills, the result of a tripartite arrangement between Steelworkers Local 8278, management and Chemeketa Community College.

The partnership is being forged in part to help put employees on the cutting edge of new technology that will soon come to the plant. Moreover, it will help workers evaluate their careers, allow them to possibly move into higher-paying jobs, and also help build self-confidence and self-esteem.

Tacho Bustamanee, a maintenance worker at Cascade Steel Rolling Mills, works with Mike Collins, chair of the Steelworkers' Education Committee on introduction to computers. The workplace education and training facility offers employees a wide range of courses to upgrade work skills and for career development. The program is a big hit among union members, Collins said.

All parties agree that improved education is "as good as money in the bank, no matter what field of work you're in."

Cascade is nearing completion of a $35 million expansion project building a new melt shop which will nearly double its capacity to melt recycled scrap metal. Cascade manufactures a variety of steel products (rebar, structural metal, fence posts) utilizing scrap metal as its raw product.

"The new melt shop is as state-of-the-art as you can get," according to Drew Leppay, assistant vice president of human resources. "We've been given the best possible tools, but we can't do the work with yesterday's technology."

"I think it's the sign of the times, it's where our future lies," said John Clyde, director of Chemeketa Community College's counseling department and director of the Cascade project.

According to Chuck Lloyd, job-related basic education instructor at Chemeketa, the program is a close model of a guide developed by the AFL-CIO Human Resources Development Institute (HRDI). The book is called Work-er Centered Learning: A Union Guide to Workplace Literacy, written by Anthony R. Sarmiento, who was the assistant director of HRDI at the time the guide was published. He now is assistant director of the AFL-CIO Education Department.

"It is a how to manual that we followed very closely," Lloyd said of the book.

Mort Michelson, president of Cascade, said he wants the company to be known for its excellent training and education programs. "We may lose some employees to new careers, but those we retain will be that much better off while others hopefully will strive to get a job here, to take the open slots."

Besides, Michelson said employees must have the best training available in order to compete with the lower paid non-union shops. "To compete we'll have to be the best trained and the most productive," he said.

Larry Shipley, president of the union, said that in the early stages of the education program enthusiasm is keen and appears to be rubbing off at home. "Kids seem to take a more positive outlook about school and learning when they see mom or dad doing homework at night," he said. "More education makes for a better, safer worker and a better union member as well."

The company put $25,000 into the project, which includes the cost of instruction and remodeling of the training center, which is located at the worksite. Approximately 375 of Cascade's 420 employees have attended orientation sessions explaining the partnership. About 310 workers are members of the Steelworkers while others are salaried employees and clerical staff.

Clyde said a particularly challenging aspect of the project was scheduling training sessions around three rotating shifts the mill operates on 24 hours per day.

"The college had to modify its delivery system and curriculum to meet Cascade's needs," said Clyde, meaning some classes are held at 6 in the morning. Another challenge was the varying levels of needs at Cascade. "Some employees require training on new equipment and others need basic skills training," he said.

Based on the needs of management and employees, the training focuses on three main areas: basic skills development, technical literacy and upgrading of skill in highly technical jobs.

Following a series of career development workshops, the first training sessions are focusing on metrics and technical reading. An overview of the computer-integrated manufacturing process is also planned. But it doesn't stop there. Cascade has extended a commitment of $2,000 per full-time employee for tuition assistance to encourage continued employee education. Some workers are using the program to get their general education development (GED) certificate.

Mike Collins, chair of the union's Education Committee, said seven employees have already obtained GEDs. "It's already a success in my mind. You go out on the job and everybody is talking about it," he said.

Employee Chris Cousland said having the school right at work "is just too easy. I couldn't come up with an excuse to procrastinate this time."

Employee William Southers said the "instructors are well equipped to handle the real life questions put forth by the group. After evaluating my current position, I found several appropriate procedures to help me realize occupation enhancement."

Oregon Governor Barbara Roberts has emphasized the need for the state to have the best trained and educated workforce in America by the year 2000 in order to compete in the global economy. "The training program at Cascade Steel is a great step towards that goal," she said.

"Until Measure 5 sorts itself out, I think you will find a bigger share of educating the workforce will be picked up by business and industry," said Michelson. "We look at this as a fringe benefit, as important as health, dental or vision care."

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Cascade Steel Prepares for the Nineties Cascade Forms Partnership with Chemeketa Community College

Chemeketa Instructors Get Ready For Plant Tour

Throughout the country companies from various industries are forming partnerships with local education to meet the challenge of new technology and international competition. The new Daneli mell shop, scheduled to be operational this spring at the McMinnville site, is a classic example of how changes in technology demand changes in the work force. The company joined forces last October with Chemeketa to develop an innovative work-site Career Development Program to assist its employees.

The response from both plant and office wo... has been extremely positive. During a recent Employee Information and Overview Session, Mabe Collins, education officer from the union said, "We have a choice of high wages and high skills or low skills and low wages. We won't take lower wages so we have to go the high skills route. This Career Development Program through Chemeketa will give us the opportunity for increasing our skills."

At the same employee overview session, Drew Lippey, Assistant VP of Human Resources, reinforced this concept of cooperation by saying, "We're forming a triangle here — the workers, the company, and the college — that's appropriate because the triangle is the strongest geometrical shape used in construction — and we are building for the future." As the work place changes, company and union officials agree that the American worker needs education and training opportunities to grow and develop. Responding to change and life-long learning will become the norm in the 90's.

Employees at each of these overview sessions responded to a survey asking what classes they would like to take. Nearly 200 indicated an interest in workplace "Basics" using a computer, technical reading, writing reports, math, measuring with metrics, etc. In early January, the College set up a "Basics" lab on-site staffed with Chemeketa instructors, to work with individuals in these areas. Workers progress at their own pace in the lab helped by instructional assistants from the college.

Workers also indicated strong interest in taking "technical skills" classes in computer operation, electronics, blueprint reading, metric calculations, hydraulics, etc. The college responded by offering many of these classes on-site at times when workers were off shift.

Four specially designed "Career Development" workshops help workers put together their own career path and are being offered December through March. Employees who complete this 6 hour workshop should have good insight into how their skills, interests, and work values relate to occupations within Cascade Steel and within the Oregon labor market; how to train for these career areas, and how to put together a plan of action.

A special class titled "Introduction to Automation" has been developed to give workers a clear idea of computer integrated manufacturing (CIM) and how this concept will be used in the new Daneli mell shop.

In addition, workers will be given assistance and individual counseling by college staff on how to complete GED requirements, pursue college degrees, and develop their personal attributes. A part of this help will come from Chemeketa's McMinnville Center that offers 200-300 classes each term and the New Learning Center in downtown McMinnville.

The overall impact of this creative partnership should be felt by workers as they move ahead on the job and in their personal lives, benefiting both the company and the community.

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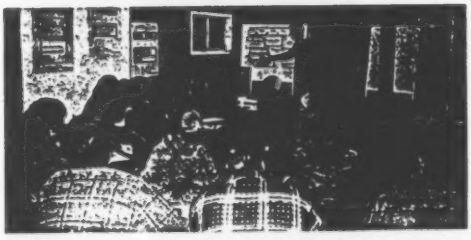
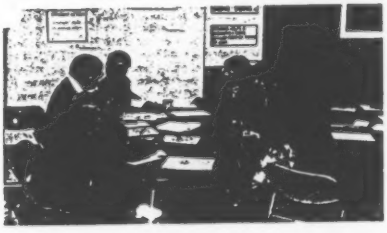
Improve Your Skills & Knowledge with Tuition Assistance

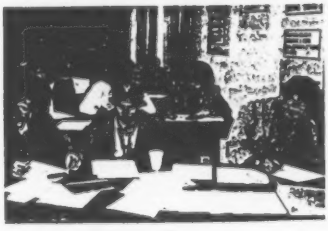
Cascade Steel provides all eligible employees up to $2,000 per year for tuition in support of your career development.

A tuition assistance form must be filled out and submitted prior to class enrollment.

For further details, contact Human Resources, Ext. 3811 or 3225.







BARBARA ROBERTS
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM, OREGON 97310-0370
TELEPHONE (503) 378-3111

February 12, 1991

Tom Zelenka, Manager
Governmental and Legislative Affairs
Schnitzer Steel Industries, Inc.
3200 N.W. Yeon Ave.
P.O. Box 10047
Portland, OR 97210

Dear Tom:

Thank you for letting me know about Cascade Steel's partnership with Chemeketa Community College. As you know from the lunch meeting you attended, workforce training will receive top priority in my administration. Our goal for Oregon is to have the best educated and trained workforce in America by the year 2000.
Your training program at Cascade Steel is a great step towards that goal.

I appreciate your support and interest in investing in the people of Oregon. Please keep me posted on how the training program partnership progresses.

Sincerely,

Barbara Roberts
Governor

FEB 15 '91 01:52PM SEDCOR (503) 581-6817

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Statesman Journal, Salem, Ore., Thursday, February 14, 1991

OPINION

College offers varied programs

Chemeketa helps community

Across the country, February is being celebrated as Community College Month. And specifically, it's a time for us in the Mid-Willamette Valley to celebrate Chemeketa Community College.

Let's look at the many reasons we have to celebrate what Chemeketa Community College has become: a tremendous force helping people live better lives, in helping our community thrive. The numbers support this. Last year, more than 39,000 people signed up for Chemeketa classes. That's more than 15 percent of the adults in the college district.

Guest Opinion

Signe Pribnow

What are people looking for at Chemeketa? You're probably familiar with many of our offerings — the 40-plus vocational programs to prepare people for work in a year or two, the college transfer programs that allow people to begin college close to home, the GED and adult high school diploma programs.

You may be less familiar with some of the other exciting things that are happening as Chemeketa is striving to meet pressing community needs:

■ In the JOBS for Oregon's Future program, people who are now on welfare are going back to school to get the skills they need to become financially independent.

I recently heard two people tell of their experiences in the JOBS program. Both were single mothers with children; both had, for the first time in their lives, felt that they could do it. They could learn; they could earn; they could face the world with pride.

Like many of our new efforts at Chemeketa, the program is a cooperative, community effort. It's operated in partnership with state and local agencies and businesses, with financing from the state Adult and Family Services Division. Chemeketa is taking the lead in providing the education for participants in this project.

■ More and more, we're becoming the place people come when they need retraining — either for a new job or to keep up to date as technology changes.

Sometimes individuals come on their own — the middle-aged worker, for example, who's been laid off and knows he or she needs to upgrade skills to qualify for a job in today's marketplace.

Sometimes the companies look to Chemeketa for retooling their employees. In such cases, the business contracts with, and pays, the college for providing the training. Right now, Chemeketa staff are designing and teaching courses for employees at Cascade Steel Rolling Mills as the company prepares to introduce a complex new industrial process at its plant in McMinnville. Across the district, our contracted training program has grown 200 percent in the past two years.

I'm proud that Chemeketa's staff can provide this service, thereby contributing to the health of our economy.

I'm writing this column to share my pride with you. My pride is in what Chemeketa is doing and still more in the people who make the college what it is: the faculty, the administration, the support staff who make Chemeketa a vital resource to its community. In that sense, I ask you to celebrate Chemeketa with me.

□ Signe Pribnow is the chairperson of the Chemeketa Community College Board of Education.

Future of the Middle East

Bush must not lose the peace

WASHINGTON — It will be two or three weeks, we read in the papers, before a land operation is launched for the liberation of Kuwait. Let us put the interim period to good use here at home. It is time for some hard thinking on what comes next.

When this all began, [redacted]

somber debate that occupied Congress in early January. This was the conviction that Iraqi President Saddam Hussein could not be left free to terrorize the Middle East with nuclear weapons. What now may be said of this implied but unstated justification for war?

For the sake of appearances, the United States must maintain a solemn pretense that we act merely as an obedient member of the United Na-

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SCHNITZER STEEL INDUSTRIES, INC.

[illegible]

February 4, 1991

Drew Lyppay
Joe OSH.

Honorable Barbara Roberts
Governor, State of Oregon
State Capitol
Salem, Oregon 97310

Dear Governor Roberts:

I want to thank you for making the time to meet with segments of the business community, including the lunch last Tuesday at the Multnomah Athletic Club. I appreciated your reviewing with the group your priorities and soliciting our questions and concerns.

As you know, Schnitzer Steel Industries, Inc. is Oregon's oldest scrap metals recycler and is one of the largest commercial/industrial scrap metals processors in the Pacific Northwest. You may not be aware that we also own Cascade Steel Rolling Mills, Inc. in McMinnville, Oregon. Cascade manufactures a variety of steel products (rebar, structural metals, fence posts), utilizing scrap metal as our raw product. Cascade is currently nearing completion of a $35 million expansion project building a new "melt shop", which will nearly double our capacity to melt recycled scrap metal.

We agree with your comments about the need to continue to invest in people, too! Enclosed for your information is a recent news story about a workforce training program we are involved with at Cascade, in partnership with Chemeketa Community College. I think you will find it fits along the lines of some of the comments you made at last Tuesday's lunch.

Please feel free to call on us if we can provide you any information or other assistance on our industry or if we can be of assistance in other ways.

Sincerely,

SCHNITZER STEEL INDUSTRIES, INC.

Tom Zelenka

Tom Zelenka
Manager
Governmental and Legislative Affairs

Enclosure (1)

TZ:sk

bcc: Dr. Leonard Schnitzer
Mort Michelson

McMinnville, OR
(Yamhill Co.)
News-Register
(3xW. 9,884)

JAN 1 2 1991

Allen's P C S Inc. 1888

Offers new training

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Mill forges partnership

More than just a multi-million dollar Italian steel melt shop is under development at Cascade Steel Rolling Mills in McMinnville, according to John Clyde of Chemeketa Community College.

A unique partnership is being forged between the mill and the college to help put CSRM employees on the cutting edge of the new technology soon to come.

After meeting with management and employees at the mill, a team of experts from Chemeketa began designing a training program that will focus on three main areas: basic skills development in the workplace, technical literacy, and upgrading of skills in highly technical jobs.

Approximately 375 of Cascade's 400-plus employees have attended orientation sessions explaining the partnership, and 318 have indicated they would like to participate in some type of training session, said Clyde, who is directing the project. In addition to skills training, the employees will have an opportunity to participate in career development workshops in order to define specific areas of interest.

The first sequence of training sessions will focus on metrics and technical reading, and employees will be provided with an overview of the computer-integrated manufacturing process, said Louanne Whitton, a member of Chemeketa's instructional design team. Future offerings will be determined after the initial sessions.

A particularly challenging aspect of the project is scheduling training sessions around the three rotating shifts the mill operates on 24 hours per day. Initial sessions, which began this month, are being held from 6 to 9 a.m. Mondays and from 1 to 6 p.m. Monday and Friday afternoons in Cascade's on-site training center.

"The college has had to modify its delivery systems and curriculum to meet Cascade's needs," Clyde said. "That's the challenge of the instructional design team."

For its part, Cascade has made both a financial and personal commitment to its employees to help ensure the project's success.

The company has invested about $25,000 in the project, which includes the cost of instruction and remodeling at the training center, according to Drew Lippay, assistant vice president of human resources.

"The advanced technology is necessary but not sufficient to compete — you have to have the skilled workforce to maintain the equipment. We had to find a way to upgrade skills, and we found that the partnership with Chemeketa was the way to go," Lippay said.

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